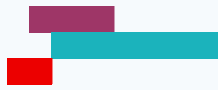


Responsible banking

Consolidated non-financial information statement





Our sustainability strategy supports our purpose to help people and businesses prosper.

We are on track to meet our targets announced at our Investor Day



We are progressing towards our net zero ambition

- Set 2 new decarbonization targets for 2030 for corporate auto manufacturing portfolio and auto lending portfolio in Europe.
- Progress on portfolio alignment in relevant portfolios, including disclosure of financed emissions for UK Mortgages and Brazil Agriculture.
- Progress embedding climate and environmental factors in our risk management practices, leveraging on market good practices and supervisory expectations, including setting three additional risk appetite limits consistent with our decarbonization strategy.

We are helping society

- **EUR 352,181 million** to finance homes and EUR 208,276 million to purchase other goods.^B
- **EUR 346,211 million** to help set up or grow companies (39% to individuals and SMEs).^B
- **212,764 employees**. EUR 13,726 million paid in wages and benefits.
- **EUR 174 million** invested in communities, including EUR **105 million** to promote higher education, employability and entrepreneurship, benefitting **2.7 million** people. We have a target to deploy **EUR 400 million** in education, employability and entrepreneurship between 2023 and 2026.

A. Preliminary data as final League Tables for 2023 were not yet available at date of editorial closing.. This information will be updated to year end in the next Climate Finance Report..

B. Credit stock as of 31 December 2023.

About this chapter

GRI 1, 2-2, 2-3, 2-5

This chapter is the consolidated non-financial information statement of Banco Santander, S.A. and its subsidiaries. It provides detailed information 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.

Scope

This chapter covers the core activities of Banco Santander and its subsidiaries from 1 January to 31 December 2023 (for more details, see Notes 3 and 53 to the consolidated financial statements and sections 3 and 4 in the 'Economic and financial review' chapter). It gives economic information according to the bank's accounting principles. Social and environmental information has been prepared according to the same definition, where available. Significant criteria differences from the 2022 Responsible banking chapter are explained in the related section as well as in the [9.7 'Scope of information'](#) and the [10.4 'Global Reporting Initiative \(GRI\) content index'](#) sections.

Regulation, reporting standards and other references that this chapter addresses

This chapter meets Spain's Act 11/2018, EU guidelines 2017/C215/01 on non-financial reporting, European Taxonomy regulation (Regulation (EU) 2020/852 and Commission Delegated Regulations 2021/2139 and 2021/2178 amended by Delegated Regulations 2022/1214, 2023/2485 and 2023/2486), GRI Standards, and the GRI G4 guidelines on financial services disclosures.

It also takes into account the Sustainability Accounting Standards Board's (SASB) 2018-10 industry standards, and the World Economic Forum's Stakeholder Capitalism Metrics. It shows Santander's progress with respect to the UN Global Compact, UNEP FI Principles for Responsible Banking, the TCFD recommendations and the UN Sustainable Development Goals.

Each section of the chapter relates to GRI and SASB indicators to which the content responds. Likewise, section [10. 'Sustainability reporting standards and references'](#) provides the regulation, reporting standards and other references mentioned above; with tables showing where information on each one can be found in the report.

Material aspects and stakeholder involvement

Santander maintains an active dialogue with its stakeholders to understand their expectations. It conducts a materiality assessment of ESG matters and closely monitors questionnaires and recommendations of ESG ratings (MSCI, Sustainalytics, CDP, S&P-DJSI, ISS, Moody's, FTSE4Good and Bloomberg Gender Equality Index), as well as other international sustainability initiatives it takes part in.

This chapter illustrates the sustainability of the bank's local and global operations, especially in terms of internal and external impact. For details on its preparation and on our materiality assessment findings, see [9.1 'Stakeholder engagement'](#) and [1. 'Materiality assessment'](#) sections of this chapter.

External verification

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 non-financial information required under Act 11/2018 and the GRI standards found in this chapter. The report's conclusion can be found in the ['Independent verification report'](#) at the end of the chapter. For more details on the preparation and oversight of non-financial information, see the 'Non-financial information' section in the [introductory pages](#) of the 2023 consolidated management report.

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Responsible banking overview

Our purpose is to help people and businesses prosper.

I. Santander's support for society



1. We drive **economic growth** by helping people and businesses prosper.

- **EUR 352,181 million** to help people buy homes and **EUR 208,276 million** to purchase other goods.^A
- **EUR 346,211 million** to help set up or grow companies (39% to individuals and SMEs).^A
- **EUR 10,937 million** paid to suppliers. **91%** are local and account for 94% of total procurement turnover.
- **EUR 9,664 million** in total taxes paid by the Group. **EUR 10,250 million** in taxes channelled from customers to tax authorities.
- Santander's stock of credit contributes to generating economic activity of more than **EUR 290 billion**, around **2.5%** of GDP on average in the main countries where we operate.^B



2. We help **create jobs**.

- **212,764 employees**. EUR 13,726 million paid in wages and benefits.
- **53% of our workforce are women**, 31.4% of whom are in senior executive positions. 40% of our board members are women.
- In 2023 we achieved our target of **~0% Equal Pay Gap^C** two years ahead.
- Santander's stock of credit helps support more than **8 million jobs** in the main countries where we operate.^B



3. We tackle **global challenges**.

- **EUR 20.2 billion^D** in green finance raised and facilitated and **EUR 67.7 billion** assets under management in Socially Responsible Investment.
- **1.8 million** new people financially included and a total of **1.2 million** underbanked entrepreneurs supported through **EUR 1,172 million** in credit disbursed.
- **EUR 174 million** invested in communities, including **105 million** to promote higher education, employability and entrepreneurship, benefitting **2.7 million** people.

A. Credit stock as of 31 December 2023.

B. Source: Deloitte.

C. The year-end figure is 0.44%. Having met the target set the Group has set itself the objective of maintaining a EPG in line with best market practices.

D. Preliminary data as final League Tables for 2023 were not yet available at date of editorial closing. This information will be updated to year end in the next Climate Finance Report.

II. Our culture

Santander's corporate culture, **The Santander Way**, is the bedrock of our success. Our values (Simple, Personal and Fair), our corporate behaviours (T.E.A.M.S), our leadership principles and our robust risk culture (*Risk Pro*) guide us every day. In 2022 we launched our new corporate behaviours and in 2023 we progressed in their implementation:

- We continued to hold regular Town Halls and share communications reinforcing the importance of displaying our behaviours on a daily basis.
- Some of our HQ offices have been decorated with T.E.A.M.S signage to make our behaviours visible to all employees and customers.
- We continued to assess how to improve our efforts through our employee listening programme - *YourVoice*.
- We aligned our processes with our culture and adapted our succession planning to ensure that employees earmarked for promotion were also cultural ambassadors.
- 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.
- We held the Santander Week, which saw all our units celebrate our culture together, with a kick-off to the week given by the chair, CEO and regional heads.
- Local CEOs held events with the participation of their executive teams to reinforce the T.E.A.M.S behaviours and to celebrate The Santander Way as one team.

Our values

Simple Personal Fair

Our behaviours



Our leadership principles

- Promote a **'Group First'** mindset
- **Lead transformation**
- Build, develop and grow **talent**
- Display **T.E.A.M.S.** flawlessly
- Drive **diversity, equity and inclusion**

Our strong risk management culture



III. Our sustainability strategy

GRI 2-22, 2-23

Our sustainability strategy focuses on issues that are material to Santander. We conduct a **double materiality assessment** to identify the topics that pose the biggest risks to, and create commercial opportunity for the bank; and where we can have the biggest impact.

Ambition	Action
<p>E</p> <p>Support the transition to a low-carbon economy</p>	<ul style="list-style-type: none"> → Support and engage with customers in accelerating their transition, and develop a best-in-class sustainable finance and investment proposition. → Progress with decarbonizing our portfolios to align to net zero by 2050, while considering other environmental goals.
<p>S</p> <p>Promote inclusive growth</p>	<ul style="list-style-type: none"> → Promote employees' wellbeing and equal treatment and opportunity for all. → Support financial inclusion by promoting access to financial products and services and financial health, including financial literacy. → Foster customer information transparency and data privacy. → Support education, employability and entrepreneurship.
<p>G</p> <p>Strong governance and culture across the organization</p>	<ul style="list-style-type: none"> → Drive culture, conduct and ethical behaviour, doing everything the Santander Way: Simple, Personal and Fair. → Continue integrating ESG in governance and our core activities, and enhancing capabilities across teams including business, risk management and data reporting.

Our sustainability strategy aims to help the business grow, be aligned to our stakeholders' expectations, and make Santander more resilient through strong risk management, robust data quality and privacy, transparency, a vibrant culture and clear governance.

Our sustainability goals are consistent with the Group's business approach – Think Value, Think Customer and Think Global. We want to:

1. create **value** for shareholders;
2. be the partner of choice for our **customers** in their transition to a low carbon economy and support their financial inclusion;
3. use our scale and local leadership to tackle **global challenges** in the markets where we operate.


IV. 2023 highlights

New targets and commitments:

- We increased two ESG targets at our Investor Day: 35% of senior executive positions to be held by women by 2025 and to financially include 5 million people between 2023 and 2025.
- To help fulfil our ambition to be net zero by 2050, in 2023 we have set two new decarbonization targets for 2030 in the transport sector: auto lending in Europe and auto manufacturing. This way, we now have seven targets in five high emitting sectors.
- We have set a target to invest EUR 400 million between 2023-2026 to foster education, employability and entrepreneurship.

Progress on ESG:

- In Corporate & Investment Banking, we raised and facilitated EUR 20.2 bn^A in green^B finance in 2023, reaching EUR 114.6 bn since 2019:
 - Santander remains among the top banks in **renewable energy project finance**, with 85 transactions and EUR 6.7 bn in financing.
 - We **financed** the construction of green assets and an EV battery gigafactory plant, signed green loans with clients such as Grenergy, **structured** sustainable transactions in Export and Supply Chain finance, and launched Green Deposits.
 - We advised on several corporate finance transactions in the **renewable energy sector** and acted as sole financial advisor in **one of the largest ever hydrogen transactions globally** at the time.
- In Retail & Commercial Banking, in 2023, we strengthened our green proposition with new solutions for clients, e.g.:
 - **Green mortgages, electric vehicles** or financing of **solar panel installations** (11 partnerships for solar panel solutions across our three regions). At the end of the year, we had a stock of EUR 22.6 bn in **mortgages aligned with the EU Taxonomy**.
 - EUR 1.4 bn in new **financing agreements with multilateral development banks** to finance the investment and liquidity needs of our customers in Europe and Latin America.
 - The **EIB** granted EUR 300 million to Banco Santander Brasil for **small-scale solar energy investments**.
- Our **SRI AUM** amounted to **EUR 67.7 bn**, of which EUR 48.1 bn are from SAM and EUR 19.6 bn from our Private Banking services associated with third party funds:
 - 70.8% of financed emissions from SAM's portfolio were either **aligning to net zero or under either individual or collective engagement in which SAM is involved**.
 - SAM Spain was the first asset manager to adhere to and report on the **CNMV stewardship code compliance**.
- In Digital Consumer Bank, in 2023, in Europe we financed more than 208,000 new electric vehicles, with volume of EUR 6.5 bn. This equals a market share of EV sales in Europe of over 10%.
- In Cards, in 2023, we acquired 37 million cards (72% of the year's total) made of sustainable materials (recycled PVC or PLA).^C
- We exceeded our target for 30% of **senior executive positions by 2025 to be held by women** in Q2, reaching 31.4% by year end. Additionally, we have reached our target of **Equal Pay gap** close to zero two years in advance.
- We financially included 1.8 million new people through our access and finance initiatives and granted EUR 1,172 m in microloans to a total of 1.2 million underbanked entrepreneurs during the year. In addition, we reached 11.5 million people with **financial education** initiatives, including content in social media.
- We invested EUR 174 million in our communities:
 - EUR 105 million in supporting education, employment and entrepreneurship through **Santander Universities**, our unique global initiative. In 2023 we granted 28,849 scholarships.
 - EUR 69 million in **other programmes** with 2.2 million people helped.

 For more details, see section 9.3 'Our targets'.

A. Preliminary data as final League Tables for 2023 were not yet available at date of editorial closing. This information will be updated to year end in the next Climate Finance Report.

B. When referred to 'green' or 'sustainable' products or services without further detail, these comply with SFICS. For more information, see section 9.6 'Sustainable Finance and Investment Classification System (SFICS)' of this chapter.

C. PLA cards: Polylactic acid (PLA) is a sustainable plastic substitute made with renewable bio-sourced resources. Recycled PVC cards: manufactured using plastic waste from the packaging and printing industries reducing first-use plastic.

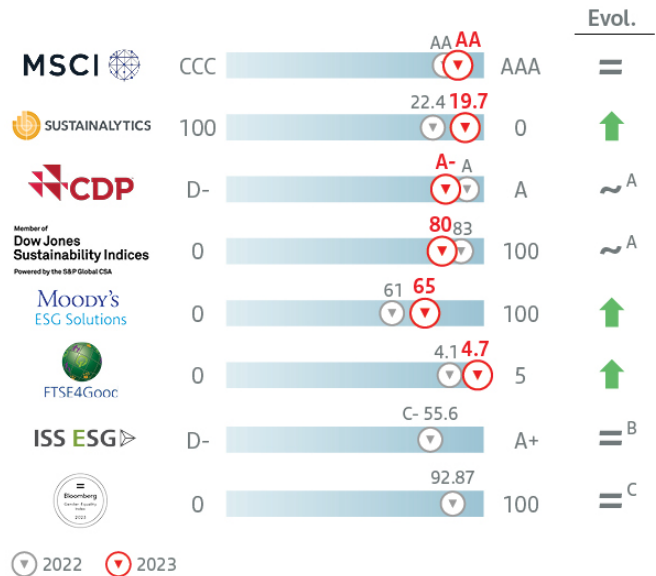
V. Recognition

Ratings

In 2023, we maintained our position in MSCI (AA) and remain in the DJSI World and European Index for Banks. In CDP we maintained our positioning at Leadership level, however decreased from A to A-.

We improved our position in Sustainalytics, scoring 19.7 points (-2.7 points) and placing in the 'low risk' category.

We scored 65 points (+4 points) in Moody's and 4.7 points (+0.6 points) in FTSE4Good.



Legend: 2022 (down arrow), 2023 (up arrow)
 A. In CDP we remain in Leadership level and in DJSI we remain in the World and European Indexes.
 B. Not rated in 2023.
 C. Based on 2022 information. Updated score not available on the date this Annual Report was issued.

Awards



World's best bank for financial inclusion by Euromoney for the third year in a row; World's best bank for SMEs and World's best bank for emerging markets by Euromoney (Euromoney Awards for Excellence).



We were the highest ranked bank on Fortune's list of 50 companies that are changing the world, owing to Santander Universities support for education, entrepreneurship and employability over the past 27 years.

VI. Governance

Supervision

The responsible banking, sustainability and culture committee (RBSCC) is the highest governance body that oversees drawing up and implementing the Group's sustainability strategy and policies, supporting the board of directors. The RBSCC met six times in 2023. The audit, remuneration and risk committees also supported and reviewed sustainability topics.

Accountability

The Responsible Banking Forum, which comprises senior Group executives, monitors and guides the execution of our sustainability strategy. It met six times in 2023. The Management meeting, chaired by the CEO, reviewed progress with the Group's sustainability agenda on three occasions. The Group's Responsible Banking unit works continuously to define, execute and monitor our sustainability strategy with the Responsible Banking network in our core markets, global businesses and corporate functions.

Incentives

In 2023, our reward schemes included ESG as a lever to make Santander teams' actions consistent with our goals. Variable remuneration (which applies to all units) has included ESG since 2020 and long-term incentives (which apply to senior executives) since 2022. In both cases, the scorecards leverage on Santander ESG public targets, including climate, green finance, financial inclusion, DE&I and SRI.

For more details on our policies and governance structure, see section 9.2 'Main internal regulations and governance'

1. Materiality assessment

1.1 Material sustainability matters

GRI 3-2

In 2023, we carried out a double materiality assessment based on the Global Reporting Initiative (GRI) and elements from the Corporate Sustainability Reporting Directive (CSRD).

It covered two dimensions:



The sustainability matters we consider in this assessment are those set out in the European Sustainability Reporting Standards (ESRS). We carried out the exercise at subtopic-level, even though the final results are presented at topic-level; and the scope is Grupo Santander.

The thresholds used to categorize the material aspects are Critical, Significant, Important, Informative and Minimal. According CSRD, a sustainability matter is material if it is above the category of Important, regardless of whether the relevance comes from the impact side or from the financial side (risks and opportunities).

The table below shows the assessment and materiality for each sustainability matter with a breakdown by impact, risk and opportunity.

Three sustainability matters – Climate Change, Consumers and End Users, and Business Conduct – are material (Significant or Critical), and two – Own Workforce and Affected Communities – are informative. The results have been carried out with a mid-term time horizon (~3 years).

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

Thresholds: Critical Significant Important Informative Minimal

We conducted this assessment using the best available information and tools, and consulting Santander’s key stakeholders. See section [9.4 'Double Materiality Assessment sources'](#).

The materiality assessment informs our sustainability strategy (see section [III 'Our sustainability strategy'](#)).

The materiality assessment is connected to key risk management processes across the Group, as it is an input for the top & emerging risks exercise, and it is connected to the Climate Risk materiality (see section [10.2 'ESG factors risk management'](#)). This climate materiality serves to prioritize our climate strategy and targets and inform risk appetite.

1.2 Impacts, risks and opportunities

GRI 3-1

To assess the materiality of each sustainability matter, we have identified the derived impacts, risks and opportunities (IROs).

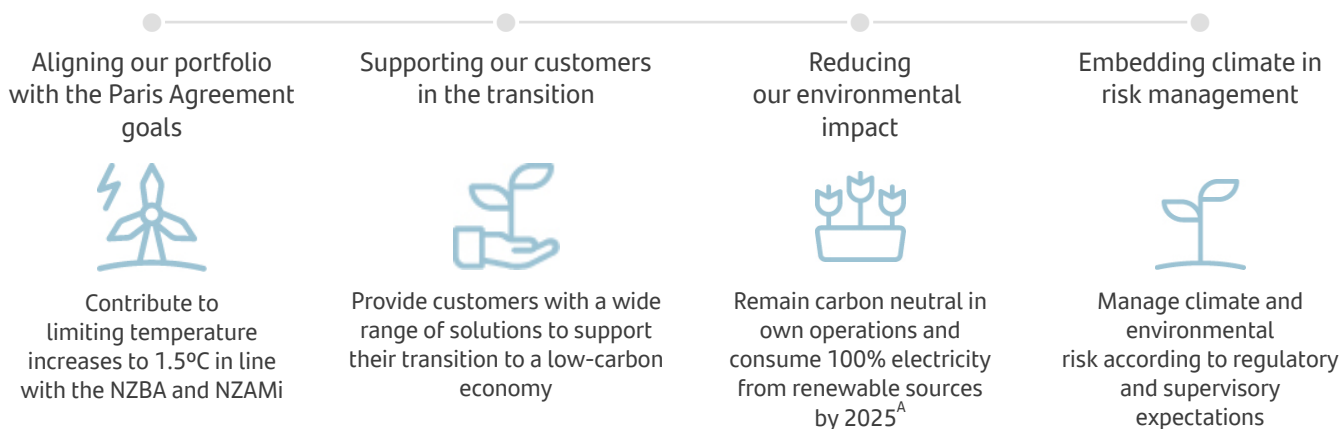
The table below details the IROs for the three material sustainability matters and the two informative matters.

	Impact	Risk	Opportunities
Climate change	Santander can have a positive impact by financing customers' transition to a low-carbon economy. This transition will benefit the reduction of total emissions released into the atmosphere, thus making a positive contribution to the Paris Agreement.	Climate change can cause economic losses to our customers, who might be affected by physical or transition risk. These risks could lead to increased default rates or reduced value of collaterals . Our diversification by geography and sector reduces this risk across our balance sheet and we manage this risk by embedding climate into risk management. For more details, see section 2.3 Risk Management.	Supporting our customers in their transition has become a key business driver. Our target is to raise or facilitate €220 bn in green finance by 2030. To do so, we are building capabilities and developing our value proposition for customers across sectors and activities (finance, investment, advisory etc.).
Business conduct	Santander's behaviour and actions have an influence due to the bank's leadership in the markets where we operate.	Inadequate behaviour or conduct could lead to fines and reputational risk . Fostering a solid corporate culture in which everything we do should be Simple, Personal and Fair is how we mitigate this risk.	Applying a solid corporate culture and conduct when dealing with customers can earn their trust and help set us apart.
Consumers and end-users	Santander can have a positive impact on consumers and end users due to our ability to help customers access financial services and in promoting their financial health .	Lack of transparency in customer information or unfair disclosure may lead to customer dissatisfaction and complaints, which would entail direct and indirect costs. Data privacy events may hamper customers' trust. A deterioration in the financial health of our customers may increase the risk of default on loans. We mitigate this risk by developing a solid corporate culture and behaviours and policies to set clear guidelines about how we deal with customers, process customer data and interact with vulnerable customers.	Robust data privacy measures and Know Your Customer protocols can boost our revenue by building trust with customers. Our financial inclusion proposition is also a source of new customers .
Own workforce	Santander employs over 200,000 people worldwide. We aim to have a positive impact on our workforce through working conditions, remuneration schemes and Diversity, Equity and Inclusion policies .	Less motivated people could lead to higher rotation and absenteeism, which could increase our cost base. Poor talent retention can also harm our performance. Our own workforce strategy seeks to mitigate this risk with initiatives in areas such as diversity, equity and inclusion, culture, and health and well-being.	A well skilled and diverse workforce boosts results by increasing productivity, fostering innovation and enhancing customer satisfaction.
Affected communities	Santander can have a positive impact by using our scale and local leadership to help the communities where we operate access basic needs (affordable housing, water and sanitation, etc.) and make a positive contribution to the sustainable development goals (SDGs) .	Some of the activities we finance can pose environmental and social risk related to the communities where these operations take place. We mitigate this risk through our Environmental, Social and Climate Change (ESCC) policy and other internal controls.	Financing basic needs in the regions where we operate (affordable housing, water and sanitation, etc.) is an opportunity to increase revenue. Our financial education proposition and our support for higher education, employability and entrepreneurship help build trust and enhance the perception of the bank in the communities where we operate.

Thresholds: ■ Critical ■ Significant ■ Important ■ Informative ■ Minimal

2. Supporting the green transition

Our ambition is to achieve net zero carbon emissions by 2050. We support the green transition in four ways:



Our targets:

	2018	2019	2020	2021	2022	2023	2025/2030 target	
Electricity from renewable sources^A	43%	50%	57%	75%	88%	97%	100% by 2025	
Carbon neutral in our own operations^B>						✔	Every year
Green finance raised and facilitated (EUR bn)^C		19	33.8	65.7	94.5	114.6	120 bn by 2025 220 bn by 2030	
AuMs in Socially Responsible Investments (SRI) (EUR bn)				27.1	53.2	67.7	100 bn by 2025	
Thermal coal-related power & mining phase out (EUR bn)				7	5.9	4.9	0 by 2030	
Emissions intensity of power generation portfolio			0.21	0.17	0.19> 0.11 tCO ₂ e / MWh in 2030		
Absolute emissions of energy (oil & gas) portfolio			23.84	22.58	27.43> 16.98 mtCO ₂ e in 2030		
Emissions intensity of aviation portfolio			92.47	93.05	97.21> 61.71 gCO ₂ e/ RPK in 2030		
Emissions intensity of steel portfolio			1.58	1.40	1.36> 1.07 tCO ₂ e/ tS in 2030		
New in 2023				149	138> 103 gCO ₂ e/vkm in 2030		
						137> 75-89 gCO ₂ e/vkm in 2030	

.....> From...To Cumulative target ✔ Commitment Achieved

A. In countries where we can verify electricity from renewable sources at Banco Santander properties. It considers the 10 main countries in which we operate.
 B. Scope 1 and 2 emissions and scope 3 emissions from employee commuting and business travel. It considers wholly owned companies in Argentina, Brazil, Chile, Germany, Mexico, Poland, Portugal, Spain, the United Kingdom and the United States.
 C. Preliminary data as final League Tables for 2023 were not yet available at the date of editorial closing. CIB contributed EUR 20.2 billion to the green finance target, including EUR 5.6 bn in Project Finance; EUR 2.8 bn in financial advice; EUR 5.8 bn in green bonds (DCM); EUR 0.2 bn in export finance (ECAs); and EUR 5.8 bn in M&A, according to Dealogic, Infralogic, TXF and Mergermarket league tables. In 2023 there was no significant contributions from ECM and Project bonds. 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. Please refer to specific section on EU taxonomy-related requirements for further details in this regard. This information will be updated to year end in the next Climate Finance Report.
 D. Consumer lending for acquisition of passenger cars, covering a significant majority of the exposure in Europe.

2.1 Our strategy and ambition

GRI 2-24, 2-25, 3-3

Santander aims to be net zero in carbon emissions by 2050. This applies to the Group's operations and emissions from our lending, advisory and investment services.

Since 2021, we are a founding member of the Net Zero Banking Alliance (NZBA, under the United Nations Environment Programme Finance Initiative), committing the Group to:

- support the transition of operational and attributable greenhouse gas (GHG) emissions from lending and investment portfolios towards pathways to net zero by mid-century; and
- set intermediate targets for priority GHG emitting sectors for 2030 (or sooner).

Santander Asset Management (SAM) aims to achieve net zero greenhouse gas emissions with its assets under management by 2050. SAM joined the global Net Zero Asset Managers initiative (NZAMi) in 2021 as part of its commitment to fight climate change and set an interim target to halve net emissions for 50% of its AUM in scope by 2030.

We have a four-pronged climate strategy to support the green transition and achieve net zero carbon emissions by 2050:

- 1) Align our portfolio with the Paris Agreement goals to help limit warming to a 1.5°C rise above preindustrial levels; and set sector portfolio alignment targets in line with the NZBA and with NZAMi.
- 2) Help our customers' green transition, raising or facilitating EUR 120 bn in green finance between 2019 and 2025 and EUR 220 bn by 2030; offer our customers guidance, advice and specific business solutions; and enable them to invest in a wide-range of products according to their sustainability preferences, with the target of reaching EUR 100 bn AuM in SRI by 2025.
- 3) Reduce our impact on the environment, implementing efficiency measures, sourcing all our electricity from renewable energy by 2025 and remaining carbon neutral in our operational carbon footprint.
- 4) Embed climate in risk management and understand and manage the sources of climate change risks in our portfolios.

For more details on our 'Climate Finance Report' and the net zero announcement press release, see our corporate website [santander.com](https://www.santander.com).

For more details on SAM's strategy, see 'Our net zero strategy' in section 3. 'Responsible Investment'.

Our approach

Transitioning entails allocating the correct resources and focus capabilities on decarbonizing the most material, high-emitting sector portfolios. The methodologies we have developed inform our plans to decarbonize our credit portfolios, especially the ones directly related to fossil fuels.

To support our approach, the Group's climate risk management area performs a climate transition assessment for wholesale corporate customers in the oil and gas, power generation, metals and mining, auto manufacturing, aviation and cement sectors. This goes beyond sectors for which we have targets and covers others that are highly prone to transition risk.

Our key governance bodies regularly review progress with our main climate-related pillars, which consist of portfolio alignment, support our customers' green transition, reduce our environmental impact and embed climate in risk management.

Disclosing our approach is key to helping markets and other stakeholders assess how we embed climate-related initiatives in our processes and policies, and report on our climate-related performance. We use the Taskforce on Climate-related Financial Disclosures (TCFD) and GFANZ Financial Institutions Net Zero Transition Plans as the frameworks to disclose our approach to integrating climate in our investment strategy and help us draw up our transition plan.

2023 highlights

- We raised or facilitated EUR 20.2 bn² (EUR 114.6 bn since 2019) and took advantage of climate finance opportunities to make progress with our green finance target (See [Supporting our customers in the transition](#)).
- We set additional decarbonization targets for the automotive sector for 2030: one for the auto manufacturing portfolio (-31% intensity emissions vs 2020); and one for the auto lending sector portfolio in Europe (range between -35% and -45% intensity emissions vs 2022).
- We updated our Sustainable Finance and Investment Classification System (SFICS) based on lessons learned and market trends. The SFICS provides criteria to flag the Group's financing and investment activities as sustainable (that help mitigate or adapt to climate change).
- We developed a methodology for tiering customers according to their degree of alignment forecast for 2030 for the energy, steel and aviation sectors. We enhanced quality assessments

¹ Scope 1 and 2 emissions and scope 3 emissions from employee commuting and business travel. It considers wholly owned companies in Argentina, Brazil, Chile, Germany, Mexico, Poland, Portugal, Spain, the United Kingdom and the United States.

² Preliminary data as final League Tables for 2023 were not yet available at the date of editorial closing. This information will be updated to year end in the next Climate Finance Report.

of transition plans, based on updated benchmark methodologies and sector research. The tiering assessment helped set risk appetites in relation to these targets.

- We supported the University of Oxford with funding for a Transition Finance Centre of Excellence, which works in developing transition finance, best practice, new tools and insights. We also participated in the Banking for Impact on Climate in Agriculture (B4ICA) initiative, contributing through the development of methodologies to help the sector transition to low carbon.
- We continued to embed environmental and climate factors in policies, risk appetite and risk management. We strengthen

our risk management cycle with initiatives such as 'The Climate Race', a target operating model to embed environmental and climate change (E&CC) factors in all stages of credit approval.

- We conducted an internal assessment of dependencies and impacts with the available data and methodologies regarding nature and biodiversity.
- In 2023, 97% of our electricity came from renewable sources. We have been reducing our carbon footprint since 2011 and mitigating beyond the value chain the remaining CO₂e emissions from our own operations since 2020.

2.2 Governance


Z01-2, FS1, FS2, FS3


Climate change and green transition oversight bodies:

- The board of directors oversees our activity regarding climate change and the green transition. In 2023, the board discussed these topics at seven meetings, including the Climate-Net Zero ambition plan, the ESCC policy review and disclosure reports. Additionally, business units and global businesses report annually to the board on their main ESG initiatives.
- The responsible banking, sustainability and culture committee (RBSCC) assists the board of directors in fulfilling its oversight responsibilities with respect to the responsible business strategy and sustainability issues of the Company and its Group. During 2023, this board committee has reviewed and discussed items related to climate change at five sessions in 2023.
- The RBSCC coordinates its activities with the other board committees, in particular with the risk supervision, regulation, and compliance committee and with the board audit committee. The first one, has assessed the ESG policies and ESG risk appetite and the latter has supervised financial and non-financial reporting and disclosures, as well as related ESG processes and controls.
- At the level of the Group's executive committees, other governance bodies such as the risk control committee, the strategy committee and the financial accounting and reporting

committee are involved in the review of: ESCC risk policies, risk appetite and risk management; the definition of ESG strategy; and the review of ESG disclosure, reporting, processes and controls.

- The Responsible Banking Forum (RBF) discussed climate change and/or green finance at its six meetings in 2023. As this body supervises consistency across the Group on key issues, it reviewed and escalated the mentioned topics, as well as criteria tools to label products and services as sustainable, developments in tagging standards, and decarbonization plan overviews.
- The management meeting chaired by the CEO, reviews the day-to-day implementation of ESG activities related to climate change and green finance.

 For more details on the topics discussed by the RBSCC and actions taken, see section 4.9 'Responsible banking, sustainability and culture committee' in the 'Corporate governance' chapter.


 For more details on ESG training, see 'Global Training' in section 4.1.

Main areas involved in implementing our climate change strategy

				
Pillar of the climate change strategy	Aligning our portfolio with the Paris Agreement goals	Supporting our customers in the green transition	Reducing our environmental impact	Embedding climate in risk management
Main areas	Responsible banking, global businesses and local units set alignment targets	Green Finance, CIB (ESG solutions), SCF and Wealth Management & Insurance	Facilities, General services and Responsible banking	Global and local teams across all areas of Risk and Compliance

- In 2023 we continued to embed climate management in business-as-usual across CIB, Risk and Responsible Banking. For instance, CIB set up a dedicated team for portfolio alignment and strengthened its corresponding governance.
- Beyond CIB, a number of local units are engaged in a process coordinated by Group Responsible Banking. The objective is to progress the decarbonization agenda, promote knowledge and expertise sharing among local teams, and seek out synergy to design reliable transition plans.
- Other corporate-level initiatives and groups that support governance meet regularly to implement or advise on our climate change agenda. For example, our public policy sustainability working group advises on regulation; the environmental footprint working group measures our footprint and reviews ways to reduce it; and the sustainable bonds working group oversees sustainable bonds issues.


- The 2023 internal audit plan, based on the annual risk assessment, continued to uphold the monitoring of ESG criteria and embedding of climate risk. In 2023, the Internal audit function monitored the progress of our key initiatives to meet ESG disclosure requirements and embed climate change in the bank's business processes and risk management.
- Since 2020, Santander has assessed green finance and progress made on climate targets and other ESG targets for the Group's variable remuneration scheme.

 For more details on ESG in remuneration schemes, see section 6.4 'Directors' remuneration policy for 2024, 2025 and 2026' in the 'Corporate governance' chapter.

2.3 Risk management

GRI 2-25, 201-2

- We're gradually embedding climate and environmental factors in our risk management and cross-cutting enterprise risk management processes such as the risk appetite and the identification of emerging risks exercise, among others.
- Risk appetite: In 2023, we approved new quantitative metrics for energy (oil and gas), steel, and aviation, which will be implemented in 2024.
- Emerging risks: Exercise with the spotlight on such emerging ESG risks as greenwashing, the environment and biodiversity.
- Materiality assessment: We run a quarterly materiality assessment to pinpoint the loan portfolios with the highest physical and transition risk. Additionally, we progressed in our materiality assessment' methodology beyond credit risk during 2023.
- Embedding ESCC factors in loan approval and monitoring: Including ESCC factors in loan approval and tracking through our 'The Climate Race' operating model has helped us embed ESCC in our strategy. This model is underpinned by strategic planning, risk management, loan approval and monitoring, models and systems, and culture and governance.
- Evolution of the Klima management tool: In Q3'23 we have integrated a physical risk assessment module into our tool, which allows the identification of physical risks in collaterals and client portfolios, adjusting their vulnerability by economic activity.
- ESG training: Grupo Santander employees can undertake specific ESG training. We also have training pills and top case studies to share best practice. Course content includes materiality assessments, scenario analyses, physical risk, and analysis of sectors subject to ESCC factors.
- Increase awareness on nature and biodiversity: At Santander we know some of our customers' endeavours may have bad consequences for the environment. That's why we run two simultaneous exercises under an internal risk assessment methodology to assess environmental impact and dependency.
- Regulatory exercise: in 2023, we took part in the EBA regulatory exercise climate risk scenario analysis (Fit-for-55), covering credit risk, market risk, commissions and incomes, and real estate risks.

 For more details on our risk management approach and progress, see section 10. 'ESG risk factors' in 'Risk, compliance and conduct management.' chapter. For more details on our Climate Finance Report, visit our corporate website santander.com.

2.4 Metrics and targets

GRI 2-24, 3-3, 201-2

To reach net zero in carbon emissions by 2050, our initial focus has been on the most material sectors and lending, which is our most material financial activity.

We disclose scope 1, 2 and 3 emissions performance data and other climate relevant metrics (e.g., energy consumption). We report on our renewable electricity and carbon neutrality in our own operation targets. We also began to disclose financed scope 3 emissions (category 15) in 2021, in relation to our decarbonization commitments.

Portfolio alignment

We joined the UN Collective Commitment to Climate Action (CCCA) when it launched in September 2019. We announced our ambition to achieve net zero carbon emissions by 2050 in February 2021, which was already stated in the 2020 Annual Report. We're a founding member of the UNEP FI Net Zero Banking Alliance (NZBA) as a key initiative to help us drive progress with our net zero ambition.

We use internal methodologies that take input and recommendations from the NZBA guidelines, the PCAF standard, GFANZ (Glasgow Financial Alliance for Net Zero) publications, SBTi (Science Based Targets initiative) and other standards. We also use external data and models from third parties with recognised market reputation/expertise.

We rely on financial information from our customers (e.g., total equity and total debt), as well as non-financial information (e.g., GHG emissions, production data, and physical emissions intensities). 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. Where available, such metrics may not be timely or fully accurate. If no public emissions data exist, we estimate them based on a proxy (average emissions by industry, country, etc.). Once we can quantify our customers' total emissions, we would be able to apply our attribution factor in line with the PCAF approach to determine Santander's financed emissions.

Roadmap for delivery on net zero

- Our materiality assessment of physical and transition risks enables us to focus on high GHG emission intensity sectors and begin developing specific decarbonization strategies for sectors defined within NZBA, which are relevant in view of our clients' profile.
- We monitor and review our targets, as new methodologies and more precise and timely information become available in the market.

Decarbonization targets

As part of our ambition to reach net zero carbon emissions by 2050, we prioritize the high-emitting sectors (which also bear high and very high transition risk according to our climate materiality) to which we have a material exposure and must act now to support the transition to a low-carbon economy. In 2021 and 2022 we set targets for the wholesale segment in the power generation, coal and oil and gas, aviation and steel portfolios. In 2023, we focused on the automotive sector from two perspectives: auto manufacturing (wholesale segment) and auto lending (consumer lending for the acquisition of passenger cars in Europe). Under our current assessment of NZBA sectors³, aluminium, cement and shipping are not deemed material. Therefore, we are not setting targets for these sectors.

Within the NZBA sectors, we are also making headway with analysing, measuring and acting to help decarbonize other climate-related sectors such as agriculture, mortgages and commercial real estate, which are key in the retail segments. The climate performance dynamics of these sectors are heavily dependent on their regulatory landscape. There is currently a lack of public policies, actions and specific plans and measures at the level the changes require for a net zero pathway. We continue to work with clients in these sectors on their decarbonization efforts and internal monitoring of their performance; but we understand we should refrain from setting public targets until their regulatory landscape is sufficiently supportive. We have been actively and constructively sharing our understanding and experience of these policy gaps with authorities, as well as other sectors, and plan to keep doing so.








Given our footprint, we see markedly different environment landscapes in the regions where we operate. Our aim is to help our customers transition and contribute to their decarbonization, 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.

In this 2023 annual report, we publish two additional decarbonization targets for the automotive sector. These targets focus on the most important sources of emissions in the auto sector value chain: (i) emissions from cars produced by manufacturers (scope 3 - use of sold products); and (ii) emissions from cars financed to end-users, plus grid emissions (in line with PCAF guidelines). Achieving these targets relies heavily on public policies, build-up of EV-infrastructure (e.g., charging points), and consumer behaviour in key auto markets.

In addition, we publish the financed emissions of two relevant portfolios of the group, mortgages in the United Kingdom and agriculture in Brazil, and the progress in the alignment of these portfolios.

³ The NZBA guidelines consider these sectors: agriculture; aluminium; cement; coal; commercial and residential real estate; iron and steel; oil and gas; power generation; and transport.

Decarbonization targets

Sector	Scenario	Emissions	Metric	Baseline	2020	2021	2030 targets
 Power generation	IEA Net Zero 2050	Scope 1	tCO ₂ e/MWh	0.21 <small>(2019 baseline year)</small>	0.17	0.19	0.11 (-46%)
 Energy (Oil & Gas)	IEA Net Zero 2050	Scope 1 + 2 + 3 ^A	mtCO ₂ e	23.84 <small>(2019 baseline year)</small>	22.58	27.43	16.98 (-29%)
 Aviation	IEA Net Zero 2050	Scope 1 + 2	gCO ₂ e/RPK	92.47 <small>(2019 baseline year)</small>	93.05	97.21	61.71 (-33%)
 Steel	IEA Net Zero 2050	Scope 1 + 2	tCO ₂ e/tS	1.58 <small>(2019 baseline year)</small>	1.40	1.36	1.07 (-32%)
 Auto manufacturing	IEA Net Zero 2050	Scope 3 ^A	gCO ₂ /vkm	149 <small>(2020 baseline year)</small>	149	138	103 (-31%) ^B
 Auto lending^C	IEA Net Zero 2050	Scope 1 + 2	gCO ₂ e/vkm	137 <small>(2022 baseline year)</small>	N/A	N/A	75-89 (-35-45%)
 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						

^A Use of sold products.

^B Target reduction is -25% vs 2021 reference

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

Power generation

Our portfolio includes corporate clients as well as project finance (PF) deals. In 2021, our emission intensities slightly increased from 0.17 in 2020 to 0.19 tCO₂e/MWh. The main causes were (i) reduction of the relative weight of renewable PF in the overall portfolio; and (ii) temporary adverse climate conditions such as drought in Brazil (which caused hydroelectric generation to be replaced by conventional generation). However, our corporate clients' emission intensities improved.

Energy (Oil & Gas)

The absolute financed emissions of our portfolio increased 4.85 mtCO₂e from 2020 to 2021. According to the IEA (International Energy Agency), global energy-related carbon dioxide emissions rose 6% in 2021 to 36.3 billion CO₂e tons, their highest ever level. The increase in drawn exposure (used to calculate financed emissions) has been driven by the post-COVID economic recovery and the global price increases in 2021, causing financed emissions to rise with it.

Aviation

Emission intensity increased from 93.05 in 2020 to 97.21 gCO₂e/RPK in 2021, driven by a reduction in the exposure to some of the less polluting customers, while the emission intensities of individual airlines started to normalize in the second COVID-affected year. The materiality of this sector in terms of exposure and financed emissions declined in a trend that should spill over into the coming years. With the current levels of sustainable aviation fuel (SAF) and efficiency gains, we see the decarbonization in the aviation sector happening slower than expected.

Steel

Reduction in emission intensity from 1.40 to 1.36 tCO₂e/tonS was mainly driven by improvements of individual clients. Availability of reliable data is especially challenging in this sector as a significant amount of our customer base is yet to report GHG emissions.

The **automotive sector** is one of the key sectors to tackle in the transition to a low-carbon economy. According to the International Energy Agency (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 decarbonization lever for this sector.

We are helping our auto manufacturer customers adapt their business models and product offering towards EVs and PHEVs.

As we are 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.

As part of our net zero ambition, we are committing to decarbonize our global auto manufacturing and European auto lending loan portfolios, with a 2030 target and a 2030 target range, respectively.

Auto manufacturing

We set our 2030 target based on the NZE 2050 scenario from the IEA, in line with existing decarbonization targets. The key component for decarbonizing the sector is the switch to electric cars. Emission intensity improved from 149 gCO₂/vkm in 2020 to 138 in 2021, mostly due to a general reduction of emissions in the industry, complemented by a slight contribution of the portfolio effect. The 2030 target entails a 31% reduction, from 149 gCO₂/vkm in 2020 to 103 gCO₂/vkm in 2030.

Auto lending

Santander Digital Consumer Bank measured the financed emissions of its auto lending portfolio in 16 units (13 countries in Europe) following the PCAF (Partnership for Carbon Accounting Financials) methodology, and used the IEA NZE 2050 as a reference pathway. In 2022, which was taken as the baseline year, SCF Auto emissions were 137 gCO₂e/vkm. SCF set a decarbonization range for 2030 of 75-89 gCO₂e/vkm, which would entail a reduction of 35-45% in its financed emissions.

The fulfillment of both targets for the automotive sector will depend on, among other conditions, several external factors such as:

- Regulation and policy: Effective government measures and policies are needed to reach the EV sales and decarbonization levels that net zero scenario requires. Countries will need to meet the timelines set to end sales of ICE. 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 needed to ensure affordability in comparison with the less clean alternative (ICE), and thus ensure a just transition.
- Infrastructure: Reaching a high penetration of EVs and PHEVs will require a deep transformation of the 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.

Decarbonization plans

Further to the five existing decarbonization targets published in 2021 and 2022, and the two new targets in automotive sector, in 2023 we also worked on the decarbonization assessments of other climate-relevant portfolios including mortgages, commercial real estate and agriculture sectors. The selection of sector portfolios for this exercise considered their materiality both at group and country level within the NZBA list of high emitting sectors. The objective of these sectors/portfolios assessments is to understand the level of financed emissions in each case, identify levers to progress on decarbonization and understand the feasibility of a net zero decarbonization pathway. The exercise comprised: baseline-financed emissions calculations, expected trajectory towards 2030, internal and external decarbonization levers analysis (considering supply and demand aspects, the regulatory framework and support for sectors decarbonization), internal governance established to monitor the decarbonization progress of each portfolio, identification of commercial opportunities and initiatives to improve data quality to help decarbonize the customers from these portfolios. Further details are provided below in relation to the UK mortgage and Brazil agriculture exercises.

Mortgages

Santander UK adopted the Partnership for Carbon Accounting Financials (PCAF) framework to calculate financed emissions associated with the Mortgages portfolio. Financed emissions were calculated at property level using the value at origination, the outstanding loan amount as at 31 December 2022, and building emissions taken from the EPC assessment for the property. Where no EPC exists, we used nearby properties with a similar age and type to infer the EPC or, where this wasn't possible, a regression model trained with multiple known property characteristics. This

resulted in a PCAF score of 3.3 and portfolio coverage of over 99% over a EUR 211.05 bn portfolio. Our baseline emissions as at 31 December 2022 were 39.72 kgCO₂e/m².

We also undertook an analysis to understand how we could decarbonize our mortgage lending across two scenarios (a low success scenario broadly aligned to current UK policy and a high

success scenario reflecting plausible but more ambitious policy action). In both scenarios we assessed the actions within or outside our control. This analysis will be used to inform our ongoing green finance strategy and public policy engagement over the coming years. In both scenarios we believe the 2030 net zero targets will be challenging to achieve and require further market and policy developments outside of our control.

In light of this analysis and while we will continue to advocate for policy change and maintain our existing green proposition, the key is to enhance our knowledge of the barriers people face in taking action; and to develop the partnerships and propositions required so that we're best placed to meet our customers' needs when the policy landscape changes.

Agriculture

Agriculture and land-use change account for 75% of gross CO₂e emissions in Brazil. The agribusiness sector makes up more than 20% of Brazil's GDP. Measuring the sector's financed emissions is, however, not trivial. 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 and geographic location, among other factors.

Given the core role of farms in the agriculture 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 PCAF methodology, the GHG Protocol and IPCC accounting guidelines, adapted to the landscape in Brazil and the agricultural sector.

Santander Brasil's on-balance credit exposure to farms with primary production was EUR 1.80 bn in March 2022. We estimated financed emissions from that portfolio⁴ amount to 6.20mtCO₂e/year: 81.9% estimated for land management, 18% for LUC and less than 1% for energy consumption. The PCAF quality score is 3.3⁵.

Though land use change is Brazil's main source of emissions, this category is not the most representative for us. Santander Brasil monitors all financed properties against illegal deforestation daily (see more details in 'Santander and the Amazon'), which contributed to lower emissions in this category.

Following GHG Protocol guidance, we measure LUC emissions considering a 20-year legacy, including legal deforestation, which is characteristic of some properties in the country.

In addition to its importance in food production, agriculture can be an agent of transformation to decarbonize a country through nature-based solutions.

Our approach to support decarbonization levers towards a low-carbon agriculture portfolio. It includes:

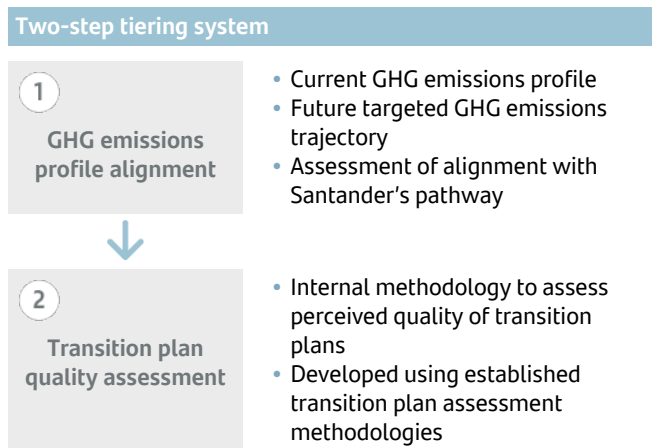
- helping customers build a low-carbon agriculture future through green finance solutions and innovative financial transactions (for more details, see Sustainable Innovation);
- engaging with the Government and local and global forums to share methodologies, open the broader debate to improve data and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

Customer engagement in CIB

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.

To do this, we have established a two-step approach to categorize our customers according to their emissions pathway and perceived quality of their transition plans. In 2023 we implemented this approach for additional sectors beyond Power, where targets have been set and adapted where necessary to account for sector differences.

The first step involves assessing how our customers' emissions trajectory aligns with our current sectoral baseline and future sectoral portfolio targets. The second step focuses on four pillars: Targets, Action Plan, Disclosure and Governance. We draw on established transition plan assessment methodologies to inform our assessment. How strong we perceive each customer's transition plan to be across each pillar will influence how we ultimately tier them.



Transition Pillar	Overview
1. Targets	Quality and ambition of quantitative targets to reduce GHG emissions
2. Action plan	Depth of decarbonization 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

In 2023, we expanded the two-step tiering assessment to include Energy, Steel and Aviation. Initial assessments were completed for both steps. Subsequently, transition plan quality assessments were reviewed and enhanced, drawing on updated reference methodologies and sector-specific research. This led to the inclusion of additional sector-specific questions for assessing transition plan quality.

⁴ Considering different commodities (such as soy, corn, rice, sugarcane, cotton, and coffee, measured in tons) and meat and dairy products (measured per head of cattle), in addition to the land use change (measured in hectares), currently not consolidated into a single physical emission intensity.

⁵ Since there is no specific methodology for agriculture, PCAF score was adapted considering the data available in primary production portfolio that made possible to measure land management emissions.

We have also implemented training for senior staff in CIB on transition topics, in collaboration with external experts. In 2023, multiple sessions took place involving senior bankers on climate regulations and taxonomies; greenwashing; climate pathways to net zero; frameworks to assess customers' transition plans; and others.

Our tiering system output has four categories (Leader, Strong, Moderate and Weak) that help inform how we prioritize engagement topics and enrich dialogue with our customers, while contributing to meeting our own portfolio emissions targets. Our client tiering allows for tailored transition dialogue to support them in navigating the low carbon transition, with the expectation that initially worse-tiered customers will migrate to better tiers over time.

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

2.5 Supporting our customers in the green transition

GRI 3-3, FS8, SASB FN-IB-410a.2, FN-IB-410a.3

As a large financial institution, we have a responsibility and an opportunity to help our customers in their transition to a low-carbon economy. Enhancing our sustainable finance and advisory proposition in all our divisions and regions is critical to meeting our green and climate transition objectives.

Corporate and Investment Banking (CIB)

In 2023, CIB continued building its ESG platform and embedding ESG in the organization. We integrated ESG experts within business, risk, portfolio management and compliance teams.

We further embedded our sustainable finance classification system governance across regions and businesses to ensure a consistent approach to our sustainable finance activity.

Santander has been a leader in renewable energy project finance over the last decade. In 2023, we remained among the top banks in number of deals and deal value globally, with 85 transactions and EUR 6.7 bn in financing. The following section shows how CIB supported customers in their transition to low carbon business models in 2023.

CIB highlights

Project Finance (PF)

CIB acted as Mandated Lead Arranger, Bookrunner and Underwriter in the EUR 727 million financing of the construction of 21 photovoltaic (PV) generation assets with a total capacity of 1.2GW for Cobra Instalaciones y Servicios in Spain.

CIB also acted as Sole Commercial Underwriter for 50% of the financing for Solaria Energía y Medio Ambiente, S.A, MLA, and Sole Hedge Provider and Account Bank in green financing for the

construction of 24 PV assets in Spain with a total capacity of 1,085MW and total financing of EUR 553 million. This is a landmark transaction and an important milestone for Banco Santander as it is one of the largest renewable project financings in Spain with a fully merchant revenue stream.

CIB acted as Mandated Lead Arranger, BPIAE and Sinasure Facility Agent, Green Loan Coordinator and Hedge Provider in financing the first NMC Batteries EV battery gigafactory plant. The plant is being built by Envision in France and will supply batteries to Renault as part of its electrification strategy. A 'first of its kind' for Santander, this transaction represents an important milestone for our Sustainable Tech Platform.

Debt Capital Markets (DCM)

During 2023, CIB continued to help clients strengthen their sustainability commitments within debt capital markets. Santander acted as Sustainability Structurer for a number of inaugural bond transactions in several countries. In Europe, we assisted Electricity North West (ENW), a UK distribution network operator that issued an inaugural £425m green bond, with proceeds used to finance their clean energy and environmentally friendly projects; PSA Banque France, the financing arm of Groupe PSA, that issued a €500m green bond with proceeds that will finance the acquisition of zero specific CO₂ emissions vehicles; and Cyfrowy Polsat, the largest media and telecommunications group in Poland, that issued a PLN 2.67bn sustainability-linked bond to increase its share of energy consumption to 30% from zero-emission sources.

In Latin America, CIB acted as Joint Sustainability Structurer for a number of bond issuers, such as the Federative Republic of Brazil, that issued a US\$2bn inaugural sustainable bond; and Grupo Energía de Bogotá (GEB), an integrated energy and utility company with presence in Colombia, Peru, Guatemala and Brazil, that issued its first US\$400m sustainable bond. We also acted as Joint Sustainability Structurer for the Republic of Chile, that issued US\$2.25bn and €750m dual-tranche sustainability-linked bonds, the first sovereign instruments to include a social target around the percentage of women members on the boards of companies that report to the local market regulator. In addition, CIB was named the 'Most impressive bank for ESG Capital Markets in LatAm' at the 2023 Global Capital Bond Awards.

Global Transaction Banking (GTB)

In 2023, CIB continued to embed sustainability in our Global Transaction Banking products. In Export Finance, we provided a sustainability-linked Export Development Guarantee with the British ECA (UKEF) to Easyjet, which was structured with bespoke ESG KPIs. We signed a green loan with Greenergy, secured with the coverage of a Cesce Green Investment Policy, aimed at financing projects that contribute to the fight against climate change and that also includes a hybrid derivative as part of the structure. CIB acted as export finance financial advisor for the development of two gigafactories for battery manufacturing in Europe and the US. We also acted as Green Coordinator for an ECA Buyer Credit with the German ECA, Euler Hermes, for the National Authority of Tunnels in Egypt.

In Supply Chain Finance, we structured a sustainability-linked solution with Cellnex, a Spanish telco company with presence in 11 countries across Europe, to improve the adoption of sustainability practices for their supply chain through CDP's Supply Chain assessment programme. The programme relies on Santander to onboard and actively manage more than 3,000 of its suppliers. We also signed a confirming solution with Henkel, a global chemical and consumer goods company, to structure its ESG Confirming programme in Latin America. In addition, we signed a confirming solution with a leading US energy company for the provision of solar and wind turbine equipment to generate renewable energy.

In Cash Management, we launched Green Deposits to help our clients align their liquidity management needs with environmentally sustainable activities. In Trade and Working Capital Solutions, we signed a sustainability-linked guarantee line with two European aerospace companies. We also provided Structured Secured Inventory Finance to one of our clients whose objective was to invest in renewable PV projects in Spain.

As recognition for our work in ESG, the MacIntyre Wind Farm transaction won 'Renewable Energy Deal of the Year' at the TXF Export Finance Deals of the Year 2022 awards for the construction of the largest wind farm in the southern hemisphere – CIB's Export & Agency Finance team acted as lender and facility agent.

Corporate Finance

In 2023, CIB advised on several corporate finance transactions in the renewable energy sector. On the Iberian Peninsula, Santander supported Bruc Energy in the sale of a 49% stake in a 1.1GW solar PV portfolio to Interogo; and supported Ardian on the sale of a 422MW portfolio of wind farms and 435MW hybrid PV farms to Naturgy. In Poland, CIB advised EDP on the sale of 300MW operating wind farms and PV pipeline to Orlen. In the offshore wind sector, we were sell-side advisor to Iberdrola in the sale of a 49% stake in Baltic Eagle offshore wind farm to Masdar, the largest ever M&A deal involving an offshore wind asset in the Baltic Sea.

Our ESG Sustainable Tech team advised PATRIZIA Infrastructure on its equity investment in an EV charging rollout programme in Germany managed by Numbat, a specialist developer and operator of high-power EV charging solutions. PATRIZIA will invest over EUR 70 million to install 400 ultrafast EV charging stations at 200 supermarkets in Germany.

Combining our hydrogen expertise and our capabilities in France, CIB acted as sole financial advisor to Forvia and Michelin in the sale of a stake in Symbio to Stellantis, one of the largest ever hydrogen transactions globally at the time.

Building on our successful year-and-a-half strategic partnership, in September 2023, CIB acted as joint advisor to EIT InnoEnergy, a leading innovation engine in sustainable energy, in raising over €140m in private capital. The proceeds will be used to accelerate and de-risk the development of hundreds of EIT InnoEnergy portfolio companies. Since signing a collaboration agreement with EIT InnoEnergy in April 2022, Santander CIB has supported several InnoEnergy startups. This includes advising France's biggest battery manufacturer, Verkor, on its partnership with Renault, and financing to Germany's leading hydrogen power solutions company, HPS.

Retail and Commercial banking

Our Green Finance strategy aims to: put our clients at the centre to help them address energy transition challenges; implement a global green finance Target Operating Guidelines across all our markets leveraging global systems; and become a business engine of profitable growth for the Group.

Our ambition is to be a world leader in environmental finance that delivers value to our clients.

2023 highlights

1. Grow the Bank

To grow environmental finance, we have developed a business strategy of end-to-end solutions, and trained Retail and Commercial banking teams to meet customers' and client's needs. The global Green Finance team leverages its synergy with CIB, where we serve big corporates, being a driver of transition for the rest of the value chain. We offer sustainability-linked loans to our clients to support their transition needs, irrespective of sector.

In 2023, Santander signed several agreements to help our clients in their sustainable transition journey through the referral and financing of solar panel installations or to support them decarbonizing their real estate portfolio.

We partnered with selected providers of energy transition services, among others: CBRE, ANERR and Holaluz in Spain; Myenergi in the UK for EV chargers; Powen and Edge-IFC in Mexico; Solarity in Chile; and YPF Solar in Argentina. We've also launched pilot projects in other geographies.

At Santander we are currently offering 11 partnerships for solar panel solutions across our three regions (Europe, South America and North America).

2. Protect the Bank: zero tolerance to greenwashing

We drew up Green Finance Target Operating Guidelines to protect the Group from greenwashing risk, aligned with supervisory expectations on climate matters.

We set up ESG certification forums in Europe and South America to ensure transactions and products are consistent with the sustainable finance and investment classification system (SFICS) before labelling them as green.

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

The Global Green Finance team is developing a global training course to upskill all employees who manage green finance in our markets to support the transition of our clients.

3. Infrastructure: tools and systems

These common infrastructure tools already implemented or under implementation provide technical and operational efficiencies and scalability: the SFICS System, an automated tool for panels that we introduced in our core markets to support with the assessment and tagging of transactions against our classification system; and the global Green Dashboard and ESG Data Hub, which enable us to track business performance and the integrity of the data used.

Our customer propositions

Sector	What we finance	Value proposition 2023	
Renewables 	Renewable energy production and transportation. Energy storage.	Financing of solar panels, wind farms and battery and storage battery production.	
Real Estate 	Purchase, construction and renovation of energy-efficient buildings. Renewable power system installation and refurbishments that use 30% less energy.	Developer loans, private solar panel installation, smart meters, energy-efficient lighting, mortgages with an A or B energy rating.	
Mobility 	Clean transport and infrastructure.	Leasing and financing of electric and hybrid vehicles (<50 g CO ₂ per passenger-km), charging stations, bicycle lanes and others.	
Agriculture 	Sustainable and protected agriculture. Land and forest conservation. Sustainable farming.	Financing of sustainable agriculture practice such as more efficient irrigation systems, machinery and reduced fertilizer use.	
Waste & Water Management 	Activities to adapt to, or mitigate, climate change; preserve biodiversity; boost the circular economy and waste & water management.	Financing of water, waste and soil treatment, greater energy efficiency, lower emissions and conservation.	
Circular economy 			

Global collaborations in 2023

International Financial Corporation (IFC)

We signed the first agreement with the IFC to promote sustainable construction practices in Mexico in terms of energy efficiency and the environment. This is a certificate of excellence that ensures sustainable construction (EDGE).

Coldwell Banker Richard Ellis (CBRE)

We entered into a collaboration agreement with CBRE, one of the world's largest commercial real estate services and investment firms, to contribute to the decarbonization of the real estate sector in Spain, with advice and financing aimed at improving the energy efficiency of buildings.

European Investment Bank (EIB)

In March, the EIB and Banco Santander in Spain signed off an advisory agreement to support the Bank in green product development, eligibility screening and the integration of the regulatory requirements of the EU Taxonomy for sustainable activities into banking operations.

In July, the EIB granted €300 million to Banco Santander Brasil for small-scale solar energy investments.

Global Gateway

Global Gateway is a new strategy promoted by the European Commission to support EU Member States' financial and development institutions and private sectors through investments to improve supply chains around the world and help developing countries fight climate change.

Strategic partnerships to drive transition

Santander cooperates with multilateral development banks (MDBs) to finance the investment and liquidity needs of our customers in Europe and Latin America. 14 out of the 25 new financing agreements we signed in 2023 worth a total EUR 1,388 million will contribute to providing competitive financing to projects that promote a low-carbon economy and environmental sustainability. They include sustainable building construction, renewable energy generation, energy efficiency investment, green mortgages, and clean mobility.

2.6 Nature and biodiversity

GRI 304-2

In 2023 we continued making progress with our nature and biodiversity assessment on dependencies and impacts. We carried out an internal exercise based on the LEAP approach combining Science Based Targets Network's (SBTN) sectoral materiality tool and the Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE) tool methodologies.

We continue to monitor and engage with working groups that draw up future regulatory and market standards in nature and biodiversity disclosure, such as the Task force on Nature-related Financial Disclosures (TNFD) Forum, PRB Biodiversity community, and Banking Environmental Initiative (BEI).

Santander and the Amazon in Brazil

Santander is working to protect the Amazon rainforest and promote sustainable development, which is critical to tackling climate change and conserving biodiversity. We need economic growth, but it must be green.

For decades, deforestation has been destroying the Amazon in Brazil. While logging, mining and large infrastructure projects in the region have all played a role, agriculture, cattle ranching, property speculation and a lack of clear land titles are key drivers.

In addition to our global policy on environmental, social and climate change risk management and our commitment to the Equator Principles, we are taking extra care when lending to customers in Brazil with operations in the Amazon, for instance:

- In addition to the Plano Amazônia coalition (see below), we have cooperated with Brazil's banking federation, Febraban, in setting best practices in a protocol for the financing of the beef sector so that it does not contribute to deforestation. By signing the protocol, Santander aligned its commitment with that of the Brazilian financial industry to require beef processing clients with slaughterhouses in the Brazilian Legal Amazon region to end illegal deforestation by December 2025 from direct suppliers of cattle and Tier 1⁶ indirect suppliers.
- Well before the publication of the Febraban protocol, Santander Brasil began engaging with meatpacking clients about ending deforestation in their supply chain by 2025. This engagement led to several of them declaring commitments online in 2022 and developing plans to check on indirect Tier 1 suppliers.
- All loan requests by farmers and ranchers (not just those in the Amazon) are checked for embargoes issued by the government because of illegal deforestation, not only on the property financed but also on nearby properties. We run daily checks for recent deforestation on farms and ranches we have lent to (throughout the entire loan term), even before the government has imposed fines. We also screen properties to check they don't encroach on officially recognized indigenous land.
- We review clients' practices in Brazil regularly. We conduct annual ESG reviews of more than 2,000 customers, including beef processors, soy traders and logging companies.

Plano Amazônia

In July 2020, Santander Brasil announced an alliance with the two other largest private sector banks in Brazil called 'Plano Amazônia' to promote sustainable development in the Amazon.

Three years on from the creation of Plano Amazônia, we assessed the progress, challenges and lessons learned, which led us to restructure the 10 measures initially set out under three strategic objectives: Forest Conservation, Promotion of the Bioeconomy, and Access to Connectivity.

We have projects for each new strategic objective. In 'Forest Conservation', we shared with Febraban the lessons learned from the implementation of the document of good practices in the meat supply chain, which prompted the creation of a self-regulatory Febraban Protocol.

Regarding 'Promoting the Bioeconomy', the Jornada Amazônia Platform progressed as planned, with five announcements to launch the training of 508 people, the selection of 70 startups for the pre-acceleration cycle and 22 startups for the acceleration cycle. The Platform also launched a micro corporate venture capital programme that will help attract investment in the market and create partnerships with large companies to accelerate the growth of startups.

In 2023, Santander supported the Instituto Povos da Floresta (Forest People Institute) to provide fast and quality internet service for around 4,000 remote communities in the Amazon by 2025. Our support enabled a pilot project involving 30 communities to test the Startlink service. Communities that did not have access to electricity also received a kit with photovoltaic panels and batteries, so they were able to access the Startlink service. Now 300 communities have access to the Internet, with 7,450 registered users and 23,000 beneficiaries.

Sustainable Innovation

In 2023, Santander Brasil created the Sustainable Innovation area to carry out scalable innovative operations in emerging technologies and businesses, provide sustainable funding and perform actions that position the bank as a leader in innovative sustainable finance. We identified 12 priority segments in the bioeconomy, transport, low-carbon agriculture and renewable energy sectors with high market potential.

Through Alliance for Sustainable Mobility and other strategic alliances, we signed a deal with Didi Group (known as '99' in Brazil) to create one of the largest electric car fleets in Brazil. It included the acquisition of 300 BYD electric cars by the company Dahruj that will make up the fleet of the company '99'. Under the Innovative Finance for the Amazon, Cerrado and Chaco Initiative (IFACC), we issued a green CRA worth USD 47.24m, together with Rabobank, the AGR13 fund and British retailers Tesco, Sainsbury's and Waitrose for the Responsible Commodities Facility (RCF) initiative, with the aim of producing deforestation-free soy in the Cerrado, following IFACC socio-environmental standards.

 For more details on 'Santander and the Brazilian Amazon', visit our corporate website [santander.com](https://www.santander.com) or our 'Climate Finance Report'.

⁶ Tier 1 indirect supplier: supplier of the direct supplier

2.7 Our environmental footprint

GRI 3-3, 301-1, 302-1, 302-2, 302-3, 302-4, 303-5, 305-1, 305-2, 305-3, 305-5, 306-1, 306-2, 306-3

As part of our ambition to achieve net zero carbon emissions by 2050, our strategy to lessen the environmental impact of our operations involves: reducing and offsetting CO₂e emissions 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've been measuring our environmental footprint since 2001. Since 2011, our energy efficiency and sustainability initiatives have helped us cut:

- electricity consumption by 38%
- CO₂e emissions by 69%, and
- paper consumption by 83%.

Our 2022-2025 Energy efficiency and sustainability plan includes more than 100 measures to reduce our electricity consumption by 18% and emissions from our own operations⁷ by 68% compared to 2019 (the last comparable year prior to the pandemic). Some of them are:

- installing 8 MW of solar panels on our buildings across our footprint for self-consumption. We have 8.8 MW installed in Brazil, Chile and Spain, with further projects under way in 2024.
- purchasing renewable electricity in every country where it's possible to certify its origin. The renewable energy we purchase and produce accounts for 97% of our total consumption, which is close to our 100% target by 2025;
- using new technology to reduce paper consumption and waste;
- continuing to obtain environmental and sustainability certifications for our buildings:
 - 38% of our employees work in buildings certified to ISO 14001 or ISO 50001 management systems; this is above the 36% ambition considered in our 2022-2025 plan.
 - Today, almost all of Santander's headquarters in our core markets are LEED, BREEAM or ISO 14001-certified.
- creating more parking spaces at our buildings for electric and plug-in hybrid vehicles – charging these vehicles is free for employees. We have over 1,709 of these spaces in the Group's core markets, exceeding our target of 1,250 by 2025;
- raising awareness among employees through global and local comms campaigns and surveys on the importance of reducing waste and consumption. Each subsidiary's internal portal also posts news and topics of interest relating to the environment and the Group's ESG initiatives.

Our measures are consistent with Santander's targets to source 100% of our electricity from renewable energy sources⁸, in addition to other measures to reduce emissions (our main goal), and to remain carbon neutral in our own operations⁹ by mitigating beyond value chain the emissions we're unable to in our own operations.

We follow a strict carbon credits selection process that includes due diligence on compliance and consistency with our environmental policies. These are also certified under some of the industry's most well-known standards. Moreover, all of the carbon credits we purchased in 2023 were ratified by an independent rating agency to ensure their integrity. Santander monitors voluntary carbon credit markets to adapt our offsetting strategy to best practice.

Using electricity from renewable sources

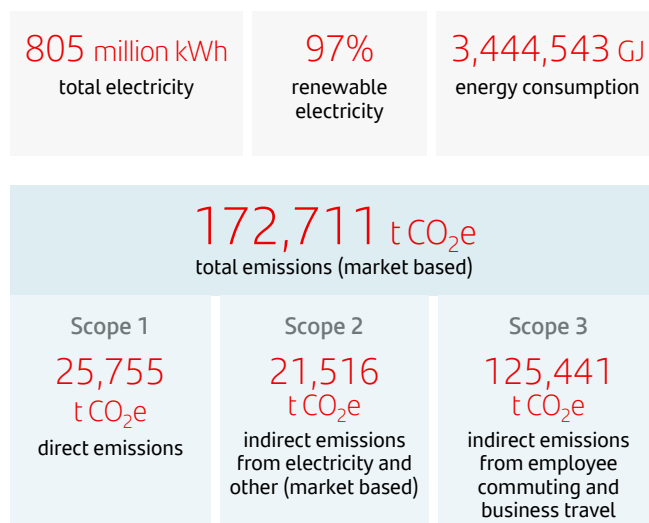
97% of the electricity our buildings consume comes from renewable sources; in Brazil, Chile, Germany, Mexico, Portugal, Spain and the UK, that figure is 100%. Our target is to reach 100% for our entire footprint by 2025⁸.

Waste management

Since 2021, our offices and buildings in our core markets have been free of single-use plastics to meet our public target.

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

2023 Environmental footprint¹⁰



⁷ Scope 1 and 2 emissions and scope 3 emissions from employee commuting and business travel from the operational control approach of GHG Protocol, where we have full authority to introduce and implement Group's operational policies.

⁸ In countries where we can verify electricity from renewable sources at Banco Santander properties of wholly owned companies in Argentina, Brazil, Chile, Germany, Mexico, Poland, Portugal, Spain, the United Kingdom and the United States.

⁹ Scope 1 and 2 emissions and scope 3 emissions from employee commuting and business travel. It considers wholly owned companies in Argentina, Brazil, Chile, Germany, Mexico, Poland, Portugal, Spain, the United Kingdom and the United States.

¹⁰ A two-year environmental footprint table, showing employee consumption and emissions is available under 8. 'Our progress in figures' section in this chapter. Scope 3 - Category 15 Investments (Financed emissions) is also disclosed in this section.

3. Responsible investment

SASB FN-CB-240a.1, FN-CB-240a.3, FN-CB-240a.4,

Sustainable investment

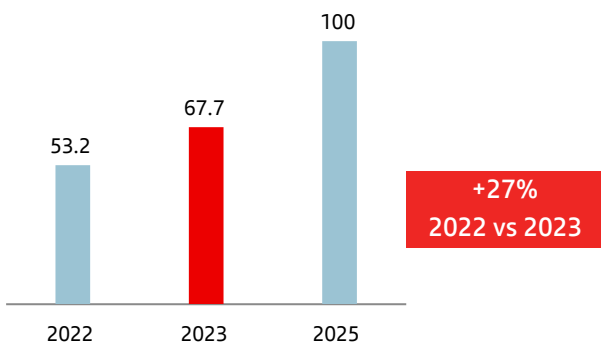
GRI FS8, FS11

We continue to expand our sustainable investment proposition for customers and progress towards our goal of reaching EUR 100 billion of socially responsible investment (SRI)¹¹ AUM by 2025.

Our SRI AUM in Wealth Management & Insurance grew 27% year on year to EUR 67.7 billion¹²: EUR 48.1 bn in Santander Asset Management and EUR 19.6 bn from third party funds in Private Banking. This was on the back of our successful investment product strategy, which drew on the Sustainable Finance Disclosure Regulation (SFDR), the Green MiFID regulation in the EU, and enhancements we made to our advisory services on socially responsible investment.

We continued the work on decarbonizing Santander Asset Management's (SAM) portfolio as part of the Net Zero Asset Managers initiative (NZAMi)¹³ and through engagement with the companies we invest in. In 2023, SAM España and Santander Pensiones signed up to the CNMV's Code of Good Practices — SAM España was the first fund manager to do so. Our voting activity earned us a special mention from ShareAction in their latest voting report 'Voting Matters'.

SRI AUM (EUR billion)¹²



Santander Asset Management

GRI FS8, FS11

In 2023, we continued to broaden our SRI product and service range, with a focus on the transformation of personalized pension plans under article 8 of the SFDR. We also launched new products such as Santander US Equity ESG. We enhanced our voting and engagement policy and methodology.

We made progress on our goal to reach net zero by 2050 and strengthened our leadership in the ESG investment community. In 2023, 70.8% of financed emissions in high-impact climate sectors were subject to Santander engagement or aligned with Net Zero — a target set by the initiative.

Innovating and transforming SRI products

We have EUR 48.1 billion in SRI AUM in Santander Asset Management (+28% YoY) in 8 countries. We broadened our SFDR-compliant product range (article 8 and 9 funds). Our thematic proposition includes funds that focus on climate (Santander Innoenergy Climate and Santander Sostenible Bonos), renewable energy (Santander Iberia Renewable Energy), and social objectives (Santander Prosperity).

In 2023, our solidarity 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.

SAM's SRI products

SRI products in SAM's core markets



¹¹ Funds registered under article 8 and 9 (SFDR) in the EU, including third-party funds and SAM's Latin American funds that meet equivalent criteria.

¹² Does not include SAM funds distributed by Private Banking to avoid double counting.

¹³ We have committed to cutting CO₂ emissions in half from 50% of our AUM that have targets to align with the NZAMi by 2030. We could increase this target as more data becomes available. For more details, visit our website santanderassetmanagement.es/sostenibilidad.

Team, methodology and policies

We have a global ESG team and leaders who promote Santander's global SRI investment strategy in our core markets.

We continue to enhance our methodology to embed ESG factors in our processes and manage the principal adverse impacts of our portfolio in the EU and in our SRI products.

We revised our voting and engagement policy and strategies. We continue to promote better climate performance and transparency through Climate Action 100+. We also joined the IIGCC Net Zero initiative and published our second stewardship report. SAM España published its first voting and engagement report on compliance with the CNMV's Code of Good Practices.

 For more details on our ESG approach, visit our website santanderassetmanagement.com/sustainability.

 For more details, see our stewardship activities report at santanderassetmanagement.com/content/view/11966/file/SAM_Stewardship_Report_221123_EN.pdf

Private Banking

GRI FS8, FS11

Our third-party funds SRI AUM amounted EUR 19.6 billion at 2023 year end. Our global list of funds that can be advised to clients comprised mostly article 8 and 9 funds (SFDR) (over 80% of the total). We also added new article 8 and 9 funds to our alternative investment proposition.

In 2023, we introduced reports for Private Banking International (PBI) clients with easy-to-understand environmental and social metrics. We also rolled out SRI mandates to other markets. We want to embed ESG in portfolio management and advisory services in eight markets by 2025.

In 2023, *Euromoney* named us 'Best private bank for ESG investing' in Chile, while *Citywire* named us 'Best private bank for ESG positioning' in Spain.



 For more details, visit our website santanderprivatebanking.com

Insurance

By 2023 year end, we had extended our insurance offering to protect sustainable assets, activities and vulnerable individuals based on the Group's sustainable finance and investment classification system (SFICS)¹⁴ to 8 countries.

We're also cooperating with our partners to broaden SRI in their investment policies and product ranges to cover risk associated to sustainability factors.

Insurance products aligned with SFICS¹⁴

Core insurance products in our geographies

	Personal accident insurance for Seniors Auto Insurance Dependency Insurance Senior Home Insurance		Life Insurance for low income people Health Insurance for self employed or low income people
	Life Insurance for low income people Personal accident insurance for low income people		Life Insurance for low income women Life Insurance for micro-entrepreneurs
	Micro mobility Insurance		Life Insurance for low income people
	Motor insurance for EV		Multirisk Insurance for SMEs (photovoltaic pannels)

¹⁴ For more details on our SFICS see section 9.6 'Sustainable Finance and Investment Classification System (SFICS)' of this chapter.

4. Acting responsibly towards employees

We want to be an employer of choice. Our approach is based on three pillars:

- Having the right talent and skills in place to enable the Bank's transformation; attracting and engaging the best talent, with a strong focus on employee development; and having a best-in-class employee value proposition.
- Putting the employee at the centre of all we do; working to have the best culture and a great employee experience delivered through diversity, equity and inclusion, culture, and health and wellbeing initiatives; and listening to employees so we can continuously improve.
- Driving change in the company; shaping a more dynamic organization that's ready to face the future with a positive impact on society; having the best organizational design; utilizing new ways of working to drive value; and holding meaningful conversations with our stakeholders.

Main regulations



For more information related to the level of approval and public disclosure, see section 9.2 'Main internal regulations and governance'

4.1 Talent

GRI 2-17, 3-3, 404-2, FS4

Attracting talent

Our talent attraction strategy focuses on positioning ourselves as an employer of choice, providing a great candidate experience when hiring and onboarding, and moving fast to respond to the ever-changing needs of our business.

In 2023 we delivered:

- a. **Digital Transformation:** We adopted a Group-wide Acquisition Tracking System in our core markets which enabled us to become more efficient in our hiring. Through digitalization, we reduced time to hire and improved the candidate experience. We also launched a test of a new platform to help us screen high volumes of applications quickly, as well as other machine learning solutions to assist with candidate selection.
- b. **Graduate Programmes:** We have programmes to attract young and emerging talent across all our markets, staying well positioned with new candidates joining the market. In 2023 we attended key local and global e-employment events and worked with Universia to reach into University talent.
- c. **We bolstered our employee value proposition (EVP):** our focus in 2023 was specifically on STEM talent. Through our Global BeTech! programme we offer hybrid working models for tech teams and more agile ways of working. In 2023 we:
 - i. launched a website which shares the STEM EVP and tech job offers;
 - ii. simplified the way candidates find their ideal role (through improving the search) and enhanced the application process to improve the candidate experience;

- iii. launched campaigns to position technical content strategically on social networks to reach a wider STEM audience;
- iv. created a sense of community with over 100 Santander IT experts worldwide who now create technical content and share it on social media to help position the Santander brand;
- v. opened new technology hubs in Malaga, Warsaw and Valencia in order to attract a wider range of STEM talent to Santander, outside of our normal catchment areas; and
- vi. held inclusion initiatives to hire and train talent with people with disabilities in the tech field, such as the Technology for persons with disabilities programme in Brazil that attracted 1,100 candidates (87 individuals hired and 100 hours training per person).

Developing talent

Talent management

In 2023 we put a keen focus on being close to the needs of our businesses and helping them anticipate their future talent needs. We created talent programmes that help individuals meet their individual growth aspirations, while considering business demands.

Our Potential

In 2023 implemented a 'potential assessment model' in all units which saw 109,946 current employees go through a thorough assessment of their potential in order to propose personalized development actions based on individual needs.

The implementation of the model helped us improve our succession planning and we are meritocratic in our decision making by using data-driven insights captured during this process.

Mobility matters

We simplified our internal mobility proposition with four simple and transparent forms of mobility that are consistent with the business and employee needs:

LONG-TERM POSITIONS	1. International assignments (EXPATS) 2. Permanent movements
TEMPORARY COLLABORATIONS (GIGs)	1. Project-based assignments (Mundo Santander) 2. SWAP programme

This year we promoted both permanent and temporary mobility as the best way to meet business needs and offer our employees real development opportunities.

We posted our internal opportunities on our Global Job Posting website, which is accessible to employees, and we saw 18,134 opportunities posted there and 14.7% of our current workforce had an upward change to higher management level on 2023.

Our Global Project Marketplace allows any business or support area to form temporary teams of the Group's best professionals. A project is proposed and posted on our Global Job Posting website and is visible to all employees of the Group, and anyone who meets the requirements can apply.

Learning and development

Our learning and development policy sets the standards for the programmes we offer our employees. We continued to enhance our catalogue of learning solutions aligned to the most critical skills our businesses demand.

We continued to reinforce a culture where employees are encouraged to lead their own development and ensure their skills and knowledge stay relevant. They can do this by taking advantage of our digital learning platform, accessible to them 24/7.

Current and future leaders

We put specific attention on development programmes for key segments of our employee base with two key programmes in 2023:

- a. **Young Leaders:** It's a nine-month development programme for our younger generation to contribute to the Bank's strategy, increase their exposure and grow as leaders through new experiences. In 2023, its third edition took place.
- b. **Elevate:** Our global executive learning ecosystem for professionals in leadership positions once again enabled a cohort of employees to enjoy five tailor-made learning experiences while interacting and collaborating with their peers from other countries or business areas.

Global training

We build skills from the ground up with on-demand and sequential learning. We use proven, easy-to-follow, self-paced learning paths so employees can form a knowledge base, build proficiencies and develop new skills — their way:

- **Fostering innovation and digital skills:** We ran expert programmes and boot camps focused on data analytics, programming, computational thinking, cybersecurity, cloud and artificial intelligence, which are key disciplines in the transformation of our people and businesses.
- **Core banking skills:** We continue to develop core knowledge through our Global Risk and Internal Audit schools, as well as specific content for the Finance, Corporate & Investment Banking, Wealth Management & Insurance, Digital Consumer Bank and Payments areas.
- **Global mandatory training:** According to our risk culture and strategy, we delivered the required pills and e-learning courses to ensure our knowledge on regulation and alignment with core risks. In addition, each subsidiary has mandatory courses on the laws of its jurisdiction.

- **ESG:** We have progressed with our training strategy with the development of new content required for all employees. We have also certified more employees as experts in Sustainable Finance. In addition to this, we continued promoting our ESG Talks, a series sharing knowledge and insights related to ESG topics, with internal experts from Corporate & Investment Banking, Risk, Human Resources, Digital Consumer Bank, Wealth Management & Insurance and Retail & Commercial Banking for the areas involved in our sustainability agenda. We also trained our employees on diversity and inclusion, health and safety, customer and supplier relations, the environment and anti-corruption. And finally, we increased our library of learning related to responsible banking topics.

In 2023, the board of directors completed training programmes on climate change, ESG risks, and regulation.

4.2 Employee experience

GRI 2-7, 2-29, 2-30, 3-3, 401-1, 401-2, 403-2, 403-3, 403-5, 403-6, 403-9, 403-10, 405-1, 405-2

Diversity, equity and inclusion (DE&I)

SASB FN-AC-330a.1, FN-IB-330a.1

At Santander, diversity, equity and inclusion (DE&I) are part of the common enablers of our Corporate Culture Policy (linked to the Group's transformation) and are governed at the highest level.

We have an ongoing Strategic DE&I Plan (2020-2025) to promote an inclusive working environment where everyone can be themselves. Our three DE&I principles can be found in the Corporate Culture policy.



In 2023, our employees' inclusion sentiment (in terms of gender, nationality, sexual orientation, religion, etc.) was 9.3 out of 10 (+0.5 above the finance sector benchmark and in the top 5% of the finance sector^A)

A. 2023 Your Voice Survey

We maintain rigorous standards for hiring, promotions, succession planning and talent pipelines to strengthen diversity. We also promote implicit bias training, as well as mentoring, networking and other actions aimed at creating a more inclusive environment.

We are also part of global initiatives that support DE&I, such as:

**WOMEN'S
EMPOWERMENT
PRINCIPLES**



Gender equity

Women represents 53% of our workforce and 31.4% in senior executive positions. We work to have more balanced presence between women and men across the Group:

1. Women on the board	2. Women in senior executive positions
40%	31.4%
We are committed to having women members make up between 40% and 60% of our board of directors	In early 2023, we raised our public target to have women in at least 35% of our senior executive positions in 2025. Santander leaders are involved in achieving this target as part of their long-term incentives

We commit to reduce the equal pay gap between women and men performing similar roles to ~0% by 2025.

1. Equal Pay	2. Gender Pay Gap
c. 0%	27.8%
We have accomplished the target for 2025 (~0%) two years early. We set up fair pay programmes to eliminate the equal pay gap. They include systematic reviews tied to remuneration cycles (merit-based promotions and bonuses).	Santander addresses the gender pay gap with a methodology based on best practices and common guidelines for the Group. The pay gap in 2023 decreased compared to the previous year (30.2% in 2022).

- The equal pay gap measures 'equal pay for equal work' for women and men in the same job at the same level. Our comparison does not consider such factors as tenure, length of service, previous experience and background. The year-end figure is 0.44%. Having met the target set the Group has set itself the objective of maintaining a pay equity ratio in line with best market practices.
- The gender pay gap measures differences in remuneration between women and men in an organization, business, industry or the broader economy, irrespective of the type of work. At Santander, fewer women hold senior and business management roles than men (something we are focused on addressing), while more women work in Retail & Commercial Banking and support roles. We calculate the gender pay gap as the difference in the median remuneration paid to male and female employees, expressed as a percentage of the male remuneration.

We run initiatives to promote gender equality in the job market:

- The group has a minimum standard in each unit of 14 guaranteed weeks in primary parental leave and 4 weeks in secondary available to 88.9% of our employees.
- We support 'Women in Tech' programmes in order to attract female talent in technology and digital. Currently, 30.1% of STEM jobs are held by women.

Several prestigious bodies praised our work in this area in 2023. We were the highest ranked bank and received the second highest score among all the companies analysed in the Bloomberg Gender-Equality Index (GEI).

Persons with disabilities

We closed 2023 with 4,701 employees with disabilities (2.2% of our workforce).

As part of our DE&I strategy, we want to boost the inclusion of people with disabilities by increasing the number of hires and promotions and foster accessibility.

In 2023, we developed a comprehensive guide on supporting colleagues with neurodiversity with the aim of making reasonable adjustments during the assessment (MyContribution) process to make it fairer.

LGBTIQ+

Building a strong culture of inclusion and creating a safe and supportive environment where everyone can be themselves are crucial for LGTBIQ+ people.

Ethnic and cultural diversity

We are monitoring ethnicity data in three of our geographies: the UK, the US and Brazil. Across our units we are making efforts to enhance visibility and awareness of cultural diversity.

Employee resource groups

Various employee resource groups help us promote and support diversity in our local units, for example:

Women	LGBTIQ+
Santander Woman Network (2019) EmpowHer (2017) Women in Business (2015) >8,000 members in 10 countries	Embrace (2015) >5,000 members in 5 countries
Persons with disabilities	Black colleagues
Enable (2022) Thrive (2020) Habilidade não tem limites (2018) >1,000 members	BOLD (2017) Reach (2015) Talento não tem cor (2018) >1,300 members

2023 highlights:

Anti-harassment protocol

We prepared a global anti-harassment protocol as a common framework to establish minimum standards and to fight against discrimination and behaviour that contravenes sexual freedom and moral integrity. Across all of our units, 30,086 current employees were trained in non-discriminatory behaviours and 19,485 in anti-sexual harassment during the year.

Training

We offered unconscious bias training and inclusive mindset training to employees, both of which are mandatory for all of our executives.

Local units have action plans in place based on their own characteristics and conditions to further support quality DE&I training.

Employee health and well-being

Santander is committed to being one of the world's healthiest companies and to building a culture of care and awareness for our organization and for society.

Our Health and Well-being strategy sets out how we protect the health, safety and well-being of all employees, associates and customers; promote a healthy lifestyle; and create long-term value. At the core of this strategy is our global policy on health, safety and well-being.

The consistent, Group-wide deployment of this strategy saw our units implement hundreds of actions worldwide, aligned to mental and emotional health, nutrition and obesity, employees with disabilities, and other health priorities in 2023.

To review the right focus and successful implementation, we continued to check our employees' satisfaction and opinions through internal surveys. In 2023, we asked them about general health and well-being, physical health, mental and emotional well-being, social care, and Santander's support.

We continue to promote our employees' health and wellness, and help them get trusted, affordable solutions through a range of benefits. In 2023, all employees could access health-related services, platforms (like 'Gympass' for sports centres) and apps for nutrition, mental health, exercise, meditation, specialist care, physiotherapy and other services free of charge or at reduced market rates.

8.4 (out of 10)

Average employee rating of the statement 'Employee health and well-being is a priority at Santander' (+0.4 above the finance sector benchmark, and in the top 25% of the finance sector^A).

A. 2023 Your Voice Survey

Occupational health

We have collective agreements at bank and sector level, which consider employee health and occupational risk prevention, offering our employees check-ups regularly and after extended absences. Santander cooperated with competent local institutions on public health initiatives during the year.


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

- a. regular workplace and ergonomic assessments of health and safety risks and preventative measures to handle or eliminate them;
- b. regular psychosocial risk assessments;
- c. prevention measures when designing, procuring or acquiring offices, furniture, equipment, products and IT equipment; and
- d. procedures to safe working conditions.

The Occupational Risk Prevention area draws up plans with other units, including these measures to prevent or minimize the risks they detect and review:

- a. Employee awareness and continuous training in postural hygiene, emergencies and first aid.
- b. Occupational risk prevention in all operations that may impact on employees' health and safety.

Our offices have achieved several security, quality and sustainability certifications, such as LEED O+M, Gold Level in the US, ISO 14001 in Brazil or ISO 45001 and ISO 14001 for our corporate centre, the Grupo Santander City, in Spain.

 For more details on absenteeism, see section 8. 'Our progress in figures'.



We aim to raise awareness about health and well-being through our global BeHealthy programme, which celebrated its seventh year in 2023.

Throughout the year, we ran hundreds of initiatives, activities and events around the world, involving thousands of employees and 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 April, to celebrate World Health Day, we held BeHealthy Week, bringing health and well-being to the focus of Santander worldwide, with daily, in-person and virtual events. Through an online campaign, #SantanderBeHealthy, our employees were encouraged to share their own healthy habits and nominate a colleague to do the same.

During the year, 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. Dr Robert Waldinger, from Harvard Medical School, joined us for a global event to celebrate World Mental Health Day, which over 3,000 employees followed live.



Employee feedback


SASB FN-AC-510a.2, FN-CB-510a.2, FN-IB-510a.2

Your Voice is our regular listening strategy to gather employees' feedback. In 2023 we undertook three global surveys, using cutting edge technology:

- Managers can access Your Voice results in real time and review qualitative opinions and sensitive observations to pinpoint areas with a high risk of employees leaving and the drivers to boost higher engagement. It helps managers promote dialogue, trust and transparency to raise employees' performance and reduce resignation and absenteeism.

- Employees can give feedback more often and leave comments on every question while preserving anonymity at all times. Your Voice surveys only take a few minutes to complete.

The surveys we ran in 2023 showed very positive results overall.

 For more details, see section 7.2 'Ethical channels'.

Key findings of our 2023 Your Voice survey

8.5

Engagement

In line with the financial and other sectors benchmark
 Stable across all three rounds in 2023

Support from managers and colleagues highlighted as positive. Simplification of processes is an improvement area, with plans underway.

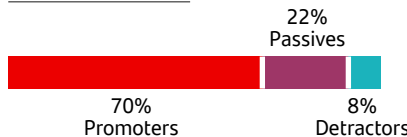
62

eNPS^A

22 above finance sector benchmark

26 above all sectors benchmark
 Top 10% for financial sector

eNPS distribution



91%

Aggregated participation^B

1.6 million
Comments received

A. eNPS (employee Net Promoter Score) is a method of measuring employee satisfaction.

B. 169,590 employees participated in the survey out of the total base of employees eligible to participate, i.e. those who met some criteria such as not being on leave, working in the company for at least 3 months.

Volunteering

Every year, we enhance our volunteering programme to help our communities prosper, promote our volunteer employees' commitment to social causes and pride in belonging to Santander, and develop their cross-cutting skills.

In 2023, financial education was a key strategic pillar in every market where we operate. Preventing early school-leaving and boosting the job skills of people with disabilities, women, children in difficulty and other vulnerable groups also remained a priority.

Each subsidiary develops its own programme based on local needs. In Spain, we ran several programmes to bolster the digital skills of girls in deprived areas, senior citizens, and other vulnerable groups.


We worked with Fundación Banco Santander to launch Santander Best Africa, a programme where 30 volunteers spent a week visiting and assessing the social and sustainability projects that Fundación funds in Senegal and Gambia.

+27K

employees
 participating in social
 activities

+83K

labour hours
 volunteered

 For more details, see section 6.2 'Other community support programmes'.

4.3 Working conditions and social dialogue

GRI 2-17, 2-19, 3-3, 404-2, 404-3

Performance management and remuneration

Our comprehensive remuneration framework combines fixed and variable pay schemes based on targets for employees and the Group. Short- and long-term variable remuneration reflects what we have accomplished and how, according to Group-wide quantitative and qualitative targets as well as individual and team targets, behaviour, leadership, sustainability, commitment, growth and risk management. It includes pension plans, banking products and services, life insurance, medical insurance and other corporate benefits our employees can choose.

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.

Our remuneration policy for all Group employees forbids differential treatment that is not based on a review of performance and corporate behaviours. It also promotes equal pay between men and women.

To comply with EU regulations on remuneration, we identified 1,152 employees subject to a deferred variable pay scheme because their decisions can have a material impact. The policy defers a significant amount of their variable pay (40%-60% depending on remit) for four to seven years, in accordance with internal and local regulation. 50% of variable pay is delivered to them in instruments and subject to potential reduction ('malus') or recovery ('clawback').

Key initiatives in 2023

- We updated short-term variable remuneration for executive directors. For 2023, corporate bonus metrics included the new strategic priorities announced at the 2023 Investor Day, maintaining the focus on customers (with active customers as the main metric), as well as RoTE (which continues to be part of the scheme). The third pillar included as a metric is capital, to outline the importance of capital generation throughout the business.
- We introduced a relative performance multiplier that may reduce or increase the result from the metrics mentioned above, based on results versus top peers in each market on metrics considered more relevant for each country/business (and for the Group, the weighted average of countries results): such as Net Interest Margin, Cost/Income Ratio, Non-Performing Loans etc.
- We simplified the qualitative assessment for the short-term bonus by reducing the number of components from seven to four, covering risk, compliance, network collaboration and ESG (responsible banking).



For more details on board remuneration, see section 6. 'Remuneration' in the 'Corporate governance' chapter.

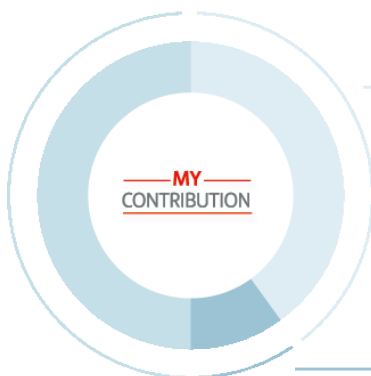
MyContribution

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

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. **risk pro**

Corporate benefits

We offer several benefits to our employees in all geographies. Each local unit has programmes that adapt to local circumstances. Benefits range from free services for employees and their families to discounts on products and services. In 2023, 13,726 million euros were paid in wages and benefits.

We focus on well-being to help employees stay in sound physical and mental shape, to support their families and to adapt health cover to new circumstances and needs. For example, in Spain, our Santander Contigo programme helps employees with daily tasks, legal and IT support, and other services.

 For more details, see ['Employee health and well-being'](#) in section 4.2.

Enhancing our ways of working

In 2023 we focused on:

1. Strengthening our new ways of working framework with local adaptations (based on local regulations on flexible working);
2. Monitoring the impact of new ways of working on our productivity, engagement, and employer attractiveness.
 - a. For productivity, we created a new dashboard to measure the new ways of working across the Group and measured KPIs for contact centres and operations.
 - b. For engagement, we asked employees to provide feedback on the new ways of working.
 - c. For attractiveness, we followed up with job applicants to learn their views on our new ways of working;
3. Taking steps to evolve our 'hybrid with flexibility' culture by:
 - a. Reviewing our office strategy – rationalizing location and space arrangements to improve access and collaboration;
 - b. Implementing technology that enables employees to be productive and engaged in a hybrid environment (to understand their workload and ways to improve individual digital balance).

Agile working

We continued to implement agile methodologies and organizational structures across the business to improve a strong customer focus and promote a more collaborative and multidisciplinary way of working. To enable change, we created an Agile Transformation Blueprint and practices to help subsidiaries facilitate business agility.

We also boosted our Agile Training Academy with several learning modules available for all levels and specializations. Agile skills are one of the 'critical skills' for all employees to encourage them to take advantage of reskilling opportunity. We also piloted the tools that will help teams set and manage objectives in more agile way.

8.7 (out of 10)
 Employees' rating of the question on whether they are satisfied with the amount of flexibility they have in their work schedules^A

A. 2023 Your Voice Survey

We set out five 'ways of working' principles



→ **The customer comes first.** Customer and business impact must take precedence in any working arrangement.



→ **Managers** play a critical role in organizing their team's work. Team and individual productivity are key to building working models.



→ **The office is our main place of work.** Workplaces are no longer just where we do our job; they're also social space that meets diverse working needs and affords the best opportunity for collaboration, innovation and creativity. Building critical mass at workspaces is key to our culture.



→ **Test and learn approach through constant listening** that evolves over time, with the focus on customer, individual performance, productivity outputs, and employer branding.



→ **Flexibility, fairness, inclusion and equal opportunity** are guiding principles in decision-making.

Enabling the business

In 2023 we continued to use our common global platforms for human capital management. We promoted data-driven people decisions and enabled both business leaders and people managers to be fully informed about their teams by:

- offering new chatbots to interact with HR;
- providing a OneHR portal for all enquiries to be routed through;
- promoting mobile first technology across key HR processes; and
- using the data of their teams for talent processes.

Social protection

Santander offers additional protection to public programmes related to loss of income due to sickness, occupational accident, acquired disability and paternal leave.

In the markets where Santander operates, we strive to offer employees enhanced conditions regarding sickness and occupational accident. For example, in Spain, employees receive full pay during periods of sickness and absence due to occupational accident. Moreover, actions to complement public pension in case of death or temporary disability.

Collective bargaining

In 2023, 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 protections for employees' representatives under the laws of each country where we operate.

We continued to promote and comply with the International Labour Organization's Fundamental Conventions.

We also remained in constant dialogue with employees' legal representatives in bilateral and special committee meetings where all parties could discuss reporting, queries and negotiations about work conditions and employee benefits.

Meetings held in 2023:

- Occupational health and safety committees
- Equality plan follow-up committee
- Subsidiaries' equality plan negotiation
- Santander employee pension plan control committee
- Training committee
- Employment committee
- Other meetings:
 - Meetings with subsidiaries' union committees
 - Bilateral meetings with trade union representatives

5. Acting responsibly towards customers

Our approach is to make every customer experience Simple, Personal, and Fair.

Main regulations

Compliance and conduct; Cybersecurity Corporate frameworks

The customer is at the centre of everything we do. We constantly listen to our customers to deliver the best practices.

Customer conduct risk management model

Approval of products and services policy

Customer service, dissatisfactions handling and root-cause analysis policy

We place great importance on protecting vulnerable groups who may be susceptible to financial vulnerability or situations that may impact their ability to make informed decisions through solutions to financially include people and boost our customers' financial health.

Vulnerable customers, consideration of special circumstances and prevention of overindebtedness policy

We apply high standards to enable individuals to maintain control over their personal data, while protecting and providing resources to keep it safe online.

Data protection policy

 For more information related to the level of approval and public disclosure, see section 9.2 'Main internal regulations and governance'

5.1 Customer experience and satisfaction


GRI 2-29, 3-3, F55, F56

Customer satisfaction

We measure individual and SME customer satisfaction (Net promoter score — NPS) and experience through surveys on service, reputation and products in each of our core markets. We draw up and execute actions plans on the back of the survey findings. The management committee monitors these plans and NPS is included as part of our remuneration schemes for all employees.

In 2023, we sent over 9 million surveys to customers from all segments to find out how we can enhance their experience and our products and services. Results showed improvements in customer service at our contact centres and in the perception of the bank's innovation.

In 2023, we ranked in the top 3 for NPS in seven of our core markets.

 For more details, see tables 4, 5 and 6 in section 8.2. 'Customers'.



Top 3

for NPS in 7 markets^A

A.Santander US has a separate target and is not included.

5.2 Consumer protection


GRI 2-26, 3-3, 416-1, 417-1, FS15

Customer conduct risk model

Being responsible means going above and beyond minimum legal requirements to offer customers products and services that are Simple, Personal, and Fair (SPF).

Our Product governance and consumer protection area oversees and reviews how we follow our customer conduct risk model. The model sets out the requirements applicable to the product and service design, sales, post-sales, and execution.

We focus on the following areas.

 For more details, see section 7.2 'Compliance and conduct risk management' in 'Risk, compliance & conduct management' chapter.

Product governance

Santander's product and service approval policy, supported by local decision-making bodies and the corporate product governance forum, helps to provide that products and services are designed to meet the needs of the target market, at a fair price and in a transparent manner. Processes and controls set across life cycle taking into account the interests of our customers.

Conduct in sales

We assess the customers' needs and characteristics to offer the most adequate products for each of them.

Commercial teams training and remuneration schemes play a vital role in embedding conduct standards in our culture and daily operations:

- In 2023, we revised mandatory training on customer conduct risk management for all employees in the Group. It complements specific programmes that sales teams must complete to master the skills needed to explain and sell products and services properly to customers.
- At least 40% of sales units' variable pay was based on customer satisfaction and quality metrics. Our commercial banking model promotes Rating de Oficinas, a scheme to give branches a customer conduct and quality rating that impacts on employees' pay, raises greater awareness and encourages proactive management of conduct-related risk. In 2023, we rolled out these pay schemes to our call centres, which are becoming increasingly crucial in a multi-channel environment.

Conduct in fraud management

In 2023, we continued to build on the customer impact component of our fraud management analysis that we began rolling out in 2022. The Compliance and conduct, Cybersecurity and Secure User Experience, Cards, and Non-financial risk areas worked together on drawing up lines of action to embed conduct in fraud management.

Vulnerable customers


In 2023, we continued consolidating our strategy to serve vulnerable customers, and specially to prevent over-indebtedness. In addition, the Group best practices were upgraded to internal regulation for the subsidiaries. This will ensure a common approach throughout the Group for employee training, recognition of vulnerable customers, case escalation, product and service design, recoveries, fraud management and assistance for senior citizens and people with disabilities.

We defined metrics to proactively identify and address the needs of customers in vulnerable circumstances.

We launched a global awareness training programme on helping vulnerable customers.

Some clear indications of our vulnerable customer strategy's forward momentum are:

- We instituted customer protocol for senior citizens and people with disabilities to prevent exclusion and enhance their experience.
- In Brazil, we published Febraban's practices for engaging with vulnerable customers, in which Santander had a prominent role.

 For more details on our vulnerable customer initiatives, see section 5.3 'Financial health and inclusion'.

Complaints handling

We manage customer issues and complaints proactively by carrying out root-cause analysis and learning from our mistakes.

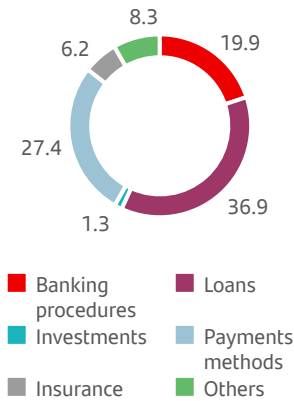
In 2023 we evolved the complaints management procedure to the customer service and dissatisfaction management policy, to align it with the SPJ strategy and with the global businesses operating model. We introduced guidelines for local units to implement standards for access, management, communication, review, reporting and governance that produce the best services possible for our customers. We're also working on a guide for customer service in contact centres using behavioural economics, with the aim of identifying the key moments and actions in the process, minimising the process biases.

To manage customers' expectations better, most units have invested in upgrades of dissatisfaction management tools and advanced analysis techniques to recognize the root causes of complaints and get the most out of customer feedback.

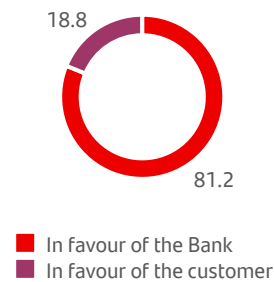
We continued our comprehensive analysis of customer complaints and survey data, using artificial intelligence to identify the root cause. Our proof of concept in Brazil and Mexico used over 27 million data sets.

The developed methodology takes advantage of the benefits of applying algorithms to customer voice, maximizing the analysis of structured and unstructured information available in our systems

Complaint type^{A,B} (%)



Resolution^{A,B} (%)



A. Personal protection insurance (PPI) claims are not factored into volume, product distribution or resolution time figures.
 B. The Group uses the same standard claims metric for all geographies.

5.3 Financial health and inclusion

GRI 3-3, 203-1, 203-2, 413-1, FS7, FS13, FS14, FS16

Financial inclusion and health are a priority for Santander in reducing inequality and promoting prosperity and entrepreneurship, and a component of how we identify customers facing financial distress.

To deliver on this, we established processes for developing products and services, training our teams, and engaging with external parties¹⁵.

Santander wants to help tackle the financial inclusion challenges in the markets where we operate. In Latin America, our main objective is to provide access to the financial system. In mature markets, we want to make sure nobody has to exit it.

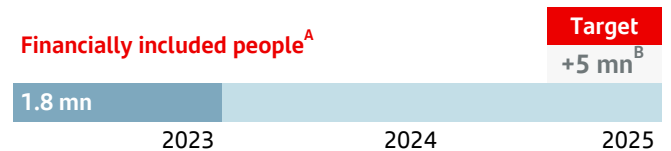
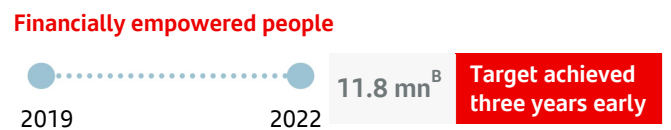
In 2023, we were named the world's best bank for financial inclusion.

→ **The World's Best Bank for Financial Inclusion** (Euromoney) for the second year in a row.



Our analysis of the World Bank's Global Findex Database 2021 in relation to our targets and the gap in access to the banking system in each of our markets confirmed that our target is consistent with our market share.

Our targets



In 2023, we financially included 1.0 mn people through access initiatives; and 0.8 mn people through finance initiatives.

A. Based on internal financial inclusion methodology that takes into account international best practice and has been endorsed by an independent third party. 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 2019.

Having exceeded our target to financially empower 10 million people between 2019 and 2025 (reaching 11.8 million in 2022), we set a new target to financially include 5 million more between 2023 and 2025. We use the UNEP FI Principles as a guide.

¹⁵ Check out what we do at santander.com/financial-inclusion-report

Access

GRI FS7, FS13, FS14

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.

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 provides payment services to merchants to boost simplicity, speed and security.

Finance

GRI 203-1, 203-2, 413-1, FS7, FS13. SASB FN-CB-240a.1, FN-CB-240a.3, FN-CB-240a.4,

Microfinance

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

Microfinance programmes



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



Credit support for low-income households/people with difficulty getting 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 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.

B. 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).

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. 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 Llife 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, or 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, and 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 Inclusive Communities plan, Santander provides low-interest mortgages and mortgage insurance for low-income homebuyers.

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 low credit histories. In Mexico, special credit programmes are offered to people at the bottom of the pyramid.

Promoting financial education

GRI FS7 y FS16

Financial education is fundamental to financial health and inclusion, and to helping people and businesses prosper.

We aim to help our customers better understand banking products and financial concepts and risks to make the right decisions for their financial well-being, while promoting market stability.

In 2023, 11.5 million people accessed our financial education initiatives, includes social media as a tool to boost our younger customers' financial knowledge.



For more details on financial education, visit our website santander.com/en/our-approach/inclusive-and-sustainable-growth/financial-education

5.4 Privacy, data protection and cybersecurity

GRI 418-1; SASB FN-CF-230a.2, FN-CF-230a.3

Privacy and data protection

Our standards give people greater control over their data, and ensure we only use data where strictly necessary and for the specific purposes for which we collect it. We apply all reasonable measures designed to erase or rectify data that are inappropriate, inaccurate or incomplete and to only store personal data for as long as strictly necessary for their legitimate use. Our security measures are aimed at preserving the confidentiality, integrity, availability and resilience of our data processing systems and services.

Our compliance programme guarantees robust management of data protection risks. It includes:

- corporate-based criteria as general lines of action to meet regulatory requirements;
- local subsidiaries' responsibility to abide by the General Data Protection Regulation (GDPR) and local regulation on data protection;
- a solid governance model consisting of:
 - corporate and local policies;
 - a data protection officer (DPO) and managers in each unit. We formally disclosed appointees to local authorities; and
 - a corporate oversight programme based on management indicators; annual reviews; and an annual monitoring forum chaired by the Group Chief Compliance Officer, where subsidiaries report on compliance status and other key data protection matters.

Other items that strengthen our commitment to personal data protection are:

- standardized approach to monitoring and reporting model among units;
- cooperation with third-party service providers that must comply with data protection regulation;
- data protection compliance embedded in the annual internal audit programme;
- data protection management tools to maintain a Group-wide register of processing activities, regular KPI reports and security incidents management;

- special training on data protection for DPOs and data controllers; promotion of corporate initiatives and the exchange of best practices among units;
- employee training and awareness; and
- constant monitoring of regulatory developments to update and consolidate criteria, methodologies and documents.

Cybersecurity

At Santander, cybersecurity is embedded in our culture. It is a part of our employee performance reviews.

In 2023, we made our teams more aware of cybersecurity, with:

- an update to our mandatory cybersecurity course;
- specialized training for high-risk groups such as payment agents, IT professionals and developers, board members and executives;
- awareness campaigns about new hacking techniques; and
- regular phishing testing that helps us become more resilient to threats and encourages employees and third-party contractors to report incidents or suspicious messages through the relevant channels.

We implemented these initiatives to help our customers and broader society stay safe online:

- 'Cyber Heroes' interactive training, where our employees and the public can test their knowledge of online safety and fraud prevention. Available in Argentina, Brazil, Chile, Mexico, Portugal, Spain, Poland, and the UK, with a 9 out of 10 rating.
- 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 and society adopt better security habits for enhanced protection against fraud. We leverage our reach through our corporate sponsorships, such as Rafa Nadal and League of Legends (strategy online game), to engage more audiences using their unique tones and language. These campaigns provide our audiences with a multichannel conversation experience across websites, social media, mass media outlets, and targeted communication.

- In other Santander markets, the cyber awareness campaign 'Tarot' in Uruguay was awarded the best radio programme in the Health & Education and Institutional categories in the 'Campana de Oro' Awards.
- Titania: Santander's latest initiative to raise awareness and promote learning about cybersecurity in the form of a fiction podcast. With over 1 million plays, this podcast was named as the Best Podcast at the National Radio Ondas Awards and has received a bronze award from the International Advertisement Bureau (IAB) for Best Branded Content Strategy.

In 2023, we continued to promote collaboration on cybersecurity with public and private organizations:

- Santander has had a key role in the creation of FS-ISAC Europe (Financial Services Information Sharing and Analysis Center) for the exchange of information in Europe and currently Santander holds the European Board's 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 the prevention and response capabilities against ransomware attacks.
- Santander actively contributes to the World Economic Forum (WEF) in the fight against cybercrime, highlighting the Cybercrime Atlas initiative, whose objective is the disruption of cybercriminal networks.



For more information on our cybersecurity plan and the initiatives undertaken during the year, see section 5. '[Research, development and innovation \(R&D&I\)](#)' in 'Economic and financial review' chapter; and section '[6.2 Operational risk management](#)' in 'Risk, compliance & conduct management' chapter.

6. Supporting communities

Progress in 2023

GRI 3-3, 203-1, 203-2, 413-1

Over **174** million euros
 in community investment in 2023¹⁶

Support for higher education, employability
 and entrepreneurship



105 million
 euros invested

Other community
 support programmes



69 million
 euros invested¹⁶

6.1 Support for higher education, employability, and entrepreneurship

GRI 3-3, 203-1, 203-2, 413-1

105
 million euros
 invested

498,930
 people and
 businesses
 helped¹⁷

1,238
 partner universities
 and academic
 institutions in 26
 countries¹⁸

Banco Santander has supported **education, employability, and entrepreneurship for over 27 years.**

Over this period, we have invested **over 2.3 billion euros** in partnership with more than 1,200 universities and institutions in 26 countries, helping **over 1.5 million people and businesses**¹⁷. In 2023 alone, we invested 105 million euros and helped nearly 499,000 people and businesses. We plan to invest **400 million euros between 2023 and 2026.**

We want to boost people's job prospects and help entrepreneurs and SMEs develop their businesses through support for education, employability and entrepreneurship.

We help adults at university and beyond, when continuous learning and job skills are vital in an ever-changing landscape. We provide training and resources to help businesses create opportunity, take root and grow through each stage of their development.

In 2023, Fortune magazine named Santander as one of the companies giving back the most to make the world a better place in its 'Change the World' list of 50 companies that are helping address some of society's biggest challenges. Santander is the highest ranked bank in the list, thanks to this support for the past 27 years.

1. Education

Our support for education involves promoting access to higher education, training and the resources that students need, and helping to the institutional transformation, mainly in the digital field. We do this through:

→ **Partnerships** with 1,238¹⁸ universities, institutions and organizations in 26 countries.

→ **MetaRed**, a collaborative network of heads of public and private higher education institutions in Latin America, Spain and Portugal. It focuses on three of the biggest challenges that universities are facing: Digital transformation (**MetaRed TIC**), student startups (**MetaRed X**), and sustainability (**MetaRed ESG**).

 For more details, visit the website [metared.org](https://www.metared.org)

¹⁶ Includes social contributions of foundations. In addition, Banco Santander made a donation of 6,617,008 Banco Santander shares to Fundación Banco Santander as financial support for it to bear (at least partially) the costs of fulfilling its founding purposes with the return on the shares. For more details, see note 34, 'Other equity instruments and own shares' of the Consolidated financial statements

¹⁷ The variation in respect to previous years responds to a reclassification as explained in section 8.4 of this chapter

¹⁸ Includes universities, institutions and organizations that have an agreement with Santander Universities, Universia and Fundación Universia. For Santander Universities alone, the figure is 904 academic entities in 12 countries.

→ **Campus Digital**, which offers a new model for universities to engage with students. With a user-friendly digital experience, it enhances university life by streamlining student procedures and communications, adapting to users' needs, and ensuring data privacy. It offers services such as digital credentials, tuition fee payments, certificates, timetables and discounts.

 For more details, visit the website mycampusdigital.com

→ **5th Universia International Rectors' Summit**, (Valencia, Spain), one of the world's leading events for rectors. **1,200 people attended, including 700 academic leaders from 14 countries.** Over 4,500 students and entrepreneurs were connected, representing our 1.5 million people and businesses supported.

 For more details, visit the website santander.com/universities

2. Employability

Our support for employability involves promoting job skills and access to the job market. We do this through these initiatives:

→ **Santander Open Academy** (formerly Santander Scholarships), a global learning and professional development platform that offers scholarships and job skills training for people of all ages.

It offers grants and scholarships for top institutions all over the world, fully subsidized courses and free learning for skills in high demand.

 For more details, visit the website santanderopenacademy.com

→ **Universia**, our initiative to help universities and training centres connect young people with companies so they can find a job.

636
 partner universities
 and institutions with
 Universia in 22
 countries

 For more details, visit the website universia.net

→ **Fundación Universia**, a global torch-bearer in diversity, equity and inclusion, which participates in international forums of the United Nations, the International Labour Organization and UNESCO.

475
 scholarships for
 university
 students with
 disabilities

50
 people with
 disabilities hired
 by companies

160
 people helped
 through the Plan
 Circular¹⁹

 For more details, visit the website fundacionuniversia.net

3. Entrepreneurship

Our support for entrepreneurship is channelled through **Santander X**, where we help small business owners and SMEs create opportunity, take root and grow. We provide access to the training, advice and resources needed to launch and scale up a business.

We help entrepreneurs give visibility to the most outstanding projects, and to connect with other businesses through a global community.

7,036
 entrepreneurship
 and business
 initiatives helped

 For more details, visit the website santanderx.com

¹⁹ Plan Circular is supported by the European Investment Fund and boosts the access to training in digital skills.

6.2 Other community support programmes

GRI 3-3, 203-1, 203-2, 413-1



69 million euros in social investment²⁰



2.2 million people helped²¹

We aim to improve people's access to education and culture and support well-being:

Childhood education



Helping children and young people get a well-rounded, quality education.

Social welfare



Helping vulnerable people and those at risk of social exclusion.

Arts and sciences



Helping people access cultural events and programmes.

We channel our investment through partnerships with NGOs and humanitarian organizations. Some partnerships are with the bank's foundations in Argentina, Spain, the US, Portugal, Poland and the UK.

In Spain, **Fundación Banco Santander** works to build a fair, inclusive and sustainable society by financing and running several cultural, educational, social and environmental projects.

In 2023, Santander made a donation to Fundación Banco Santander for a total of 6,617,008 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 purposes²². These include managing the Bank's art collection and financing numerous literary, educational, social, cultural and environmental productions and activities, in which the reconfiguration of the Bank's headquarters on Paseo de Pereda in Santander and our relations with universities in Spain will play an important role. For more details, go to the website fundacionbancosantander.com/es/fundacion/transparencia.

Fundación Banco Santander also encourages employees and customers to get involved in its initiatives and programmes. For more details, see 'Volunteering' in section 4. '[Acting responsibly towards employees](#)'.

Links and descriptions of our main initiatives are available on our corporate website and in our local responsible banking reports (also available on our corporate website).



For more details on Fundación Banco Santander's core work, visit the website fundacionbancosantander.com/es/fundacion/memorias

²⁰ Includes social contributions from the Group's foundations.

²¹ 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.

²² For more details, see Note '[34. Other equity instruments and own shares](#)' in the 'Consolidated financial statements'.

7. Business conduct

Our approach is to act responsibly and with integrity across our value chain

Main regulations

Risk corporate ; Compliance and conduct corporate; and Financial crime and compliance corporate frameworks

<p>Our code of conduct sets out shared principles and values set out in The Santander Way.</p>	<p>General code of conduct</p>	<p>Code of conduct in securities markets</p>	<p>Corporate defence policy</p>
	<p>Canal Abierto (whistleblowing) policy</p>	<p>Environmental, social and climate change risk</p>	<p>Tax policy</p>
	<p>Conflict of interest Policy</p>	<p>Defense sector</p>	<p>Financing for sensitive sectors</p>
<p>Our commitment to ethical principles is reflected in our determination to fight corruption, and our status as a signatory to the United Nations Global Compact.</p>	<p>Anti-bribery and corruption policy (ABC policy)</p>	<p>Anti-money laundering and countering the financing terrorism policy</p>	
	<p>Financing of political parties policy</p>		
<p>Our business conduct principles apply to vendors.</p>	<p>Third-party certification policy</p>		
	<p>Outsourcing and third-party management model</p>		

 For more information related to the level of approval and public disclosure, see section [9.2](#) 'Main internal regulations and governance'

7.1 Conduct standards

GRI 2-15, 2-25, 3-3, FS1, 207-1, 207-2, 207-3

7.1.1. Code of conduct

Our General code of conduct (GCC) promotes equal opportunity, diversity and non-discrimination, zero tolerance for sexual or work-related harassment, respect for others, work-life balance, human rights, and environmental protection. It is also one of the core elements to prevent criminal risk.

All Group employees — general workforce, top management and members of the management bodies of the companies that make up Grupo Santander — must be aware of and comply with the GCC. The Internal Audit area regularly reviews compliance with the GCC, with autonomy to check that it and subsidiary-level versions are appropriate and effective.



For more details, see section 7.2 'Compliance and conduct risk management' in the 'Risk management and compliance' chapter.

Core initiatives

- #Yourconductmatters: campaigns via email, Intranet and other media to boost employees' awareness of the GCC and related policy, as well as of *Canal Abierto* and the latest whistleblower protection laws.
- Recommendations posted on the Intranet to prevent conflicts of interest between employees and the Group, and to review and manage conflicts.
- Handling reports received through our ethical channel, *Canal Abierto*, enhancing processes based on lessons learned.
- Common principles and guidelines on offering and receiving courtesies or invitations from third parties, according to the terms of our ABC policy.
- Managing employees' queries on ethics and rules in the GCC.

Training

Every year, all our employees undertake mandatory training on the GCC and conduct rules they must follow in their day-to-day, learn why every employee's conduct matters; and how to handle conflicts of interest and gifts and invitations from people outside Grupo Santander.

In 2023, several of the Group's units ran sessions for core service providers on our culture of compliance and ethical behaviour.

We also trained the Group's board members, who are key to avoiding and mitigating risk, setting a global corporate culture based on ethical principles and complying with internal and external rules. Sessions included compliance risks they are exposed to, how these risks may arise, and how to avoid them.

7.1.2. Procurement management policy

Our procurement management policy sets out how employees negotiating with vendors should conduct themselves to prevent conflict of interest and keep information confidential.

7.1.3. Code of conduct in securities markets (CCSM)

Approved by the board in 2020, the CCSM sets out the standards that board members and employees must abide by when handling sensitive information or trading in securities markets on their own behalf. It outlines the necessary controls and transparency to safeguard the interests of the Group's investors as well as market integrity.

Our core units have relevant policies and tools to help detect potential violations and consistent management through a conduct framework.

Employees who are bound by the CCSM must complete mandatory training²³ which outlines on the obligations contained in this code.

7.1.4. Principles of action in tax matters

Santander's tax strategy sets out the tax principles that the entire Group must follow. The board of directors approves it and revises it regularly²⁴.

The Group's tax risk management and control, which draws on our internal control model, must be consistent with the principles in the tax strategy.

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 to the Portuguese Code of Good Tax Practices. We also participate in cooperative compliance initiatives led by tax authorities. Since 2015, we've voluntarily submitted an annual Tax Transparency Report to Spain's Tax Authority.




For more details on the Group's tax contribution, see section 8. 'Our progress in figures'.

²³ When joining and renewing every three years

²⁴ Last updated in October 2022.

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 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 as well as any other information necessary to comply with generally accepted reporting standards on sustainability.
- 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 territories²⁵.

 For more details on the Group's tax strategy, visit our corporate website [santander.com](https://www.santander.com).

7.2 Ethical channels

GRI 2-26, 205-3, 406-1

Canal Abierto is our global ethical, anonymous and confidential channel for reporting misconduct. 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 local according to the common standards of the corporate *Canal Abierto*.

Minimum standards include subsidiary CEOs 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 the reports, and regular internal audits. These standards have been part of our *Canal Abierto* policy since 2020.

Canal Abierto is mainly set up to receive reports from employees; however, some subsidiaries' local channels are open to vendors, customers, investors 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.

In 2023, Banco Santander, S.A. made these amendments to *Canal Abierto* to comply with Spain's law (Whistleblower Protection Act):

- Revised the *Canal Abierto* policy and the related usage and operation procedure, which the board of directors had approved in June. Both are available on our corporate website and the *Canal Abierto* platform.
- The Chief Compliance Officer appointed as responsible for *Canal Abierto* at Banco Santander, S.A..
- We made these changes to the channels we run in our other units in Spain (Santander Digital Consumer Bank, Openbank and PagoNxt) and shared them with the rest of the Group's units as best practice.

We also worked on a protocol to standardize internal investigations in the Group's units with less tradition in this matter.

In 2023, the Group's channels received 3,611 reports²⁶, relating to: i) violations of our General code of conduct (63.4%), with key concerns over workplace harassment, internal fraud, product marketing, and anti-money laundering; ii) human resources-related conduct (30.2%), with key concerns over conflict due to a lack of leadership, and a failure to demonstrate corporate behaviours; and iii) other categories (6.4%).

The Group received 125 reports about equal opportunity and non-discrimination; 12 led to disciplinary action, including 6 dismissals. There is no record of any lawsuits filed by an employee or their representatives against Banco Santander, S.A. in relation to incidents of discrimination or violation of fundamental rights.²⁷

The Group also received 15 reports regarding corruption, which led to 2 dismissals.

We received 267 reports from third parties (207 from customers and 60 from vendors).

All reports submitted on *Canal Abierto* are handled appropriately, whether they are found to be substantiated or not.

In 2023, the number of closed reports and disciplinary actions has decreased due to the fact that in Brazil, cases identified by the control areas are no longer considered for *Canal abierto* purposes.

	2023	2022
Received reports	3,611	3,935
Closed reports	2,929	3,477
Disciplinary action	655	907
which led to dismissal	366	387

²⁵ At 2023 year end, we had one subsidiary and three branches in offshore jurisdictions. For more details, see [Note 3 c\)](#) to the consolidated financial statements.

²⁶ Not including PagoNxt entities outside Headquarters or the SCF joint ventures with Stellantis.

²⁷ For more details, see section [10.4 'Global Reporting Initiative \(GRI\) content index'](#) (2-27).

7.3 Environmental, social and climate change risk management

GRI 2-23, 2-24, 2-25, 3-3, 411-1, 413-2, FS2, FS3, FS10, FS11

Santander embeds environmental and social standards in risk management, focusing on priority sectors to support sustainable and inclusive growth and uphold human rights.

Our Environmental, social and climate change (ESCC) risk management policy (which we review every year) sets out the standards for investing in, and providing financial products and services²⁸ to companies and customers in oil and gas, power generation and distribution, mining and metals, and soft commodities (especially retail customers dedicated to farming and ranching in the Amazon).

A financial manager completes a questionnaire before a team of analysts conducts an overall assessment of the client's ESCC risks in the applicable sectors²⁹.

The ESCC risk and compliance departments delve deeper into cases that uncover red flags. They submit the findings of their analysis (and its impact on credit and other risks) to the bank's risk approval committees, who use them in decision-making.

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 decarbonization targets (oil and gas, power generation, automotive, steel, and aviation) to categorize them based on their greenhouse gas emissions, emissions targets, and transition risk management.

The Group applies the precautionary principle to its analysis and management of core ESCC risk.

In 2023, the ESCC risk and compliance departments worked with the business units to strengthen governance and ESCC risk management in sustainable finance transactions. We set up teams of experts to assess sustainable finance for new customer segments. These teams participate in expert panels to establish criteria and ensure consistency in operations tagging. We continued to ensure that we understand how ESCC risk affects our customers so as to make our risk assessments more rounded and to offer customers support in their transition.

In addition to the analysis performed by the ESCC risk teams, the Financial crime compliance (FCC) teams establish controls to mitigate environmental crimes detailed in the following section.



For more details on environmental, social and climate risk management, see '[Risk, compliance & conduct management](#)' chapter.



For more information on Santander's environmental, social and climate change risk management policy, see section [9.2 'Main internal regulations and governance'](#).

Equator Principles

Equator Principles (EP) is a voluntary framework for financial institutions to identify, assess, and manage environmental and social risks when financing projects. We have been applying these principles to project-related transactions (especially project finance) since 2009.

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 application of EP starts with a Preliminary Assessment conducted by Front Office. The ESCC Risk Global function sits at CIB, reporting directly to Global Head of CIB Risk. ESCC Risk oversees Front Office's Preliminary Assessment; also providing training and ad-hoc support to Front Office. Based on the conclusions of the Preliminary Assessment, an environmental and social risk review is conducted for applicable transactions, according to the following 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.
- We also use other E&S policies, procedures and rules when deciding to grant project financing or project-related business loans.

In 2023, we analysed 41 projects that fell within the scope of the Equator Principles (for more details, see table [8.7 'Equator Principles'](#)).

Human rights protection

Our board-approved Responsible banking and sustainability policy sets out Santander's ESG commitments, including human rights protection for our employees, customers, suppliers and the communities we serve. It upholds the highest standards, such as the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the Universal Declaration of Human Rights.

- We run initiatives to combat discrimination, forced labour, and child exploitation as well as to preserve freedom of association and collective bargaining, our employees' health, and decent employment.




For more details, see section [4. 'Acting responsibly towards employees'](#).


²⁸ Transactions that entail credit risk, insurance, advisory services, equity, and asset management.

²⁹ 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

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

 For more details, see section 5. 'Acting responsibly towards customers'.

- We improved our supplier questionnaires and environmental, social and human rights analysis to respect for human rights throughout our supply chain.


 For more details, see section 7.5 'Acting responsibly towards suppliers'.

We're also enhancing human rights questionnaires to include risks to customers in the supply chain under our ESCC risk management policy.

We also assess the human rights impact on transactions that fall within the scope of the Equator Principles.

Grievances mechanism

Canal Abierto is our grievance mechanism to protect human rights in the Group's operations, according to principle 31 of the UNGPs. It can be found at <https://secure.ethicspoint.eu/domain/media/eseu/gui/105329/index.html>

 For more details, see section 7.2 'Ethical channels'.

7.4 Financial crime compliance and relations with political parties

GRI 205-2, 3-3, 415-1
 SASB FN-AC-510a.1, FN-CB-510a.1, FN-IB-510a.1

Financial crime compliance (FCC) for vulnerable customers

Our FCC due diligence for customers supports the Group's commitment to 'reducing the stigma in providing financial services to vulnerable customers', so that our business units mitigate financial crime risk responsibly. In 2023, the United Nations singled out Santander's leading practices in its report *Strengthening Financial Inclusion to Protect Against Modern Slavery: Applying Lessons to Bank Forcibly Displaced Persons/ Refugees*. Three of the report's five case studies were on Santander: Openbank, Santander España and Santander Polska.

FCC tackling environmental crime

Sectors with high exposure to environmental crime are considered 'restricted' and subject to further due diligence requirements. Our customer screening tools include specific terms and content related to environmental crime.

We engage in various public-private partnerships as part of our commitment to detect, disrupt and deter environmental crime. Our Head of Financial Crime Compliance Framework & Policies continues to chair the quarterly United Nations Office on Drugs and Crime's (UNODC) private sector dialogue on the disruption of financial crimes related to forestry crimes. In 2023 this initiative extended to cover all environmental crime. Financial institutions, authorities, investigative law enforcement units and supranational governmental bodies came together to discuss intelligence sharing, typologies and policy strategies on disrupting the financial crime networks behind all crimes against nature. In 2023, Santander continued to play a pivotal role in the launch of the Latin American chapter of the United for Wildlife's Financial Taskforce against illegal wildlife trade.

FCC for anti-bribery and corruption, and training

The Group continued to prioritize embedding its anti-bribery and corruption (ABC) compliance framework in 2023, with a strong commitment from marketing, sponsorships, supplier management, human resources and other key functions that are exposed to high ABC risk. The Group's training plan continued to combine introductory ABC courses with more detailed and customized content for certain teams. In 2023, stand-out sessions included technical training on penalty enforcement,


ABC risk awareness workshops with staff from the Acquisitions team, and courses for board members.

Relations with political parties

Santander is committed to the principles of transparency, honesty and impartiality in its engagement with political parties and other entities with public and social purposes that are also political in nature. These principles prohibit any act of corruption by Santander's employees and managers.

Our board executive committee-approved policy on political party funding (available on our corporate website) has applied to all our subsidiaries worldwide since 2016. Except as provided below, it prohibits making monetary or in-kind donations and contributions to elections. However, it allows subsidiaries to sponsor special events or activities, provided they have been approved by the Group executive committee and are consistent with Santander's objectives and operations. Santander US participates in a US political action committee with full transparency and in compliance with US law.

Grupo Santander may only finance political parties on an exceptional and arm's length basis approved by the Group executive committee. The policy prohibits total or partial debt cancellation for political parties and their affiliates. While the terms of any debt may be negotiated, the interest rate charged may never be below the market rate. In addition, this policy applies to electoral candidates of political parties to the extent provided by local law.

 For more details on financial crime, see section 7.2 'Compliance and conduct risk management' in 'Risk management and compliance' chapter.

7.5 Acting responsibly towards suppliers

GRI 3-3, 204-1, 308-1, 308-2, 414-1, 414-2

Our corporate third-party certification policy provides a methodology for all subsidiaries to make sure that our suppliers meet the Group's minimum requirements. In addition to traditional legal, tax, technical and ethical standards, it includes such sustainability standards as human rights and diversity and inclusion for suppliers that provide risk services to the Group. Risk services are services provided by suppliers that handle highly sensitive data or where a disruption in their services could severely damage the business.

ESG standards in procurement

In 2023 we continued to work on procedures to assess our suppliers' compliance with ESG standards.

- 3,001 suppliers³⁰ representing 43%³¹ of those that provide risk services³², have completed a Group³³ certification that includes, among others, ESG aspects such as the existence of codes of conduct and anti-corruption policies, human and labour rights, or other elements included in international standards such as UN Global Compact.
- We worked on drawing up and implementing a new ESG approval methodology to classify our suppliers according to risk, including a criticality assessment.

The assessment consists of questionnaires on carbon footprint, gender and disability inclusion, flexible working, minimum wage, good corporate governance and other factors.

We use the assessment findings to work with suppliers on remediation plans and specific ESG training.

ESG standards in suppliers' negotiations

In 2023 we introduced ESG standards in tenders for certain product and service taxonomies with an environmental and social impact.

The ESG standards we require in tenders include the product or service's carbon footprint, the use of recycled or renewable materials, energy efficiency, accessibility for people with disabilities, and corporate social responsibility compliance in the supply chain.

Supporting our suppliers' sustainability transition

We have created initiatives to support our suppliers and help them meet the requirements of domestic, European and international ESG regulatory frameworks:

- We work with our most important suppliers on sustainability action plans to enhance their understanding of ESG.
- We promote the UN Global Compact training programme to help our suppliers access knowledge and tools to tackle sustainability challenges.

Other key aspects

- 10,937 million euros were paid to suppliers. 91% of our suppliers are locally based, accounting for 94%³⁴ of our turnover.
- In 2023, we implemented a new corporate tool to standardize certification 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 built 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.

³⁰ Geographies with other local certification processes that do not include review of similar ESG criteria (USA, Peru, Colombia, Asia, Poland and wholesale branches) are not considered.

³¹ The remaining 57% have been exempted on the basis of the criteria defined in the Group's third-party certification policy.

³² Data at the end of November

³³ This certification is done through specific questionnaires about different topics (including ESG issues), and is subject to the approval of the corresponding local supplier forum, in case that any of these questionnaires are not passed. If this situation occurs, the forum will assess each case based on the Group's risk appetite in the matter and the mitigation plans which mitigate that risk.

³⁴ Geographies with local payment systems such as Poland, Uruguay and some Santander Digital Consumer Bank companies are not considered in the data.

8. Our progress in figures

GRI 2-4

8.1 Tax contribution	71	Table 22. New hires by age bracket	79
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Table 8. Financially empowered people	74	Table 32. Hours of training by gender	83
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8.1 Tax contribution

GRI 201-1

In 2023, our tax contribution totalled EUR 19,914 million, including EUR 9,664 million in taxes directly paid by the Group and the rest in collected taxes originating from our business operations with third parties. 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, EUR 35 are taxed, including EUR 17 in taxes paid directly by Santander and EUR 18 in taxes collected from third parties.

The taxes Santander pays directly (see table below) are included in the cash flow statement and mainly stem from the corporate income tax paid (EUR 5,214 million, which represents an effective rate of 31.7%). They also 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. Total taxes paid directly by the Group amount to 58.7% of the profit before tax.

The taxes we accrue and the amounts we pay do not usually match because the laws in some countries dictate a different payment date than when income was generated or an operation was taxed. Therefore, the corporate income tax accrued during the accounting period is EUR 4,276 million, which represents an effective rate of 26% (see note 27 of the consolidated annual accounts).

1. Total taxes paid

EUR million

2023					
Jurisdiction	Corporate income tax ^A	Other taxes paid	Total taxes paid by the Group ^B	Third-party taxes ^C	Total contribution
Spain	323	1,310	1,633	1,642	3,275
UK	728	500	1,228	569	1,797
Portugal	302	190	492	220	712
Poland	150	281	431	252	683
Germany	173	90	263	2	265
Rest of Europe	518	282	800	(3)	797
Total Europe	2,194	2,653	4,847	2,682	7,529
Brazil	1,396	583	1,979	3,141	5,120
Mexico	840	497	1,337	916	2,253
Chile	167	93	260	352	612
Argentina	54	389	443	2,186	2,629
Uruguay	57	100	157	50	207
Rest of Latin America	48	20	68	16	84
Total Latin America	2,562	1,682	4,244	6,661	10,905
United States	446	111	557	898	1,455
Other	12	4	16	9	25
TOTAL	5,214	4,450	9,664	10,250	19,914

A. The Group's income tax for the year 2022 amounted to EUR 5,498 million.

B. Total own taxes paid for all these concepts amounted to EUR 9,664 mn, broken down as EUR 5,214 mn in corporate income tax, EUR 1,004 mn in non-recoverable VAT and other sales taxes, EUR 1,766 mn in employer-paid payroll taxes, EUR 85 mn in property taxes, EUR 224 mn in Spanish temporary bank levy, EUR 385 mn in bank levies and EUR 986 mn in other taxes.

C. Total third-party taxes amounted to EUR 10,250 mn, broken down as EUR 2,946 mn in salary withholdings and employees' social security contributions, EUR 768 mn in recoverable VAT, EUR 2,217 mn in tax deducted at source on capital, EUR 310 mn in non-resident taxes, EUR 417 mn in property taxes, EUR 217 mn in stamp taxes, EUR 2,017 mn in taxes related to the financial activity and EUR 1,358 mn in other taxes.

8.2 Customers

GRI 2-26,2-29, FSG

2. GROUP CUSTOMERS^A

	2023	2022	var.
Europe	46,293,433	45,563,811	2%
Spain	15,022,877	14,319,525	5%
United Kingdom	22,480,761	22,402,482	—%
Portugal	2,908,192	2,922,944	(1)%
Poland	5,877,433	5,696,967	3%
Others Europe ^B	4,170	221,894	(98)%
South America	73,028,442	69,553,448	5%
Brazil ^C	62,804,350	60,117,170	4%
Chile	4,052,314	3,577,094	13%
Argentina	4,771,370	4,385,406	9%
Others South America ^D	1,400,408	1,473,778	(5)%
North America	25,027,302	24,980,487	—%
United States ^F	4,510,043	4,523,339	—%
México	20,517,259	20,239,179	1%
Others- North America ^F	0	217,969	(100)%
Digital Consumer Bank	20,192,858	19,746,178	2%
Santander Consumer Bank ^G	17,665,556	17,793,206	(1)%
Santander Digital	2,527,302	1,952,972	29%
Total	164,542,034	159,843,924	3%

- A. Figures corresponding to total customers. 2022 data has been redefined to accommodate 2023 reporting segments.
 B. Includes the rest of Private Banking and other CIB Europe. In 2023 Superdigital is not included, because it is a business that has been discontinued.
 C. Private Banking: Decision groups.
 D. Includes Uruguay, Peru and Colombia. In 2023 Superdigital is not included, because it is a business that has been discontinued.
 E. Includes BPI Miami
 F. In 2023 Superdigital is not included, because it is a business that has been discontinued.
 G. SCF includes customers in all European countries, including the UK.

3. DIALOGUE BY CHANNEL

	2023	2022	Var .2023/2022 %.
Branches			
Number of branches	8,518	9,019	(5.6)%
Digital banking^A			
Digital customers ^B (millions)	54.2	51.5	5.2 %

- A. Santander Consumer Finance not included.
 B. Counts once for customers of both Internet and mobile banking.

4. GROUP NPS

	2022	2021	2020	2019
Argentina	1	1	2	3
Brazil	4	3	1	2
Chile	1	1	1	1
Uruguay	2	2	2	3
Spain	3	2	2	2
Poland	3	3	3	4
Portugal	2	2	3	1
UK	5	6	3	6
Mexico	2	3	4	4
USA	9	9	8	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; Chile: BCI, Banco de Chile, Itaú, Scotiabank, Banco Estado; Uruguay: Brou, Itaú, BBVA, Scotiabank; Spain: BBVA, Caixabank, Sabadell, Bankia, Unicaja; Poland: ING, Millenium, MBank, Bank Polski, Bank Pekao, BNP Paribas; Portugal: BPI, Millenium BCP, CGD, Novo Banco; UK: Nationwide, Barclays, Halifax, NatWest, Lloyds, HSBC, TSB, RBS; Mexico: Scotiabank, Banorte, HSBC, Banamex; US: JP Morgan, Bank of America, Capital One, PNC, M&T Bank, TD Bank, Citigroup, Citizens, Wells Fargo.

5. GROUP NPS BY CHANNEL^A

	2023	2022	2021
Branch	70	66	64
Contact center	72	60	43
Internet ^B	67	62	58
Mobile	67	65	69

A. Internal NPS. Monthly data. Last information available from December 2023 (it may vary throughout the year). Obtained from customer surveys issued within 48 hours of their contact with the bank via any channel. Weighted average of active Group customers.

B. Internet: Excluding Chile and Uruguay.

6. CUSTOMER SATISFACTION^A

	2023	2022	2021	2020
Argentina	92	93	91	90
Brazil	88	88	n/a	89
Chile	89	90	90	87
Uruguay	95	97	96	93
Spain	89	89	84	87
Poland	95	95	96	99
Portugal	86	90	90	86
UK	96	96	95	94
Mexico	98	94	94	95
USA	89	89	88	87
Group^B	91	92	92	91

A. Net customer satisfaction: calculation of 100% of customers minus percentage of dissatisfied customers.

B. Linear average of net satisfaction across all geographies.

7. TOTAL COMPLAINTS^A

	2023	2022	2021
Spain ^B	88,326	76,272	120,953
Portugal ^C	4,789	3,584	3,570
United Kingdom ^D	25,309	20,624	20,069
Poland ^E	6,272	5,169	5,179
Brazil	207,211	215,906	195,340
Mexico	68,565	70,100	82,033
Chile	8,441	7,873	8,009
Argentina	5,525	5,294	5,013
US ^F	5,712	1,717	3,205
SCF ^G	33,074	29,777	35,215

A. Compliance metrics based on group-wide criteria, homogeneous for all geographies.

B. Spain increases only due to a rebound in claims for mortgage formalization expenses, with a general reduction in the rest of the cases.. Includes Open Bank S.A.

C. Portugal increased mainly due to cost of living crisis with regulatory changes in mortgages

D. The United Kingdom is affected by a change in the perimeter where insurance has been included, once complaints for personal protection insurance (PPI) have been standardized.

E. Poland increased due to changes in terms and conditions and operational changes.

F. The United States has included the Santander Consumer unit in the report.

G. The increase in SCF is mainly due to complaints for the reduction of upfront costs in case of early repayment of CQS in SCF Italy and discretionary management fees in SCF UK.

8.3 Financial inclusion

GRI 203-1, 203-2, 413-1

8.1 Financially included people^A

million people (Accumulated since 2023)	2023
Access	1.0
Finance	0.8
Total	1.8

A. During 2023 a new public target of Financially Included People has been made, which considers Access and Finance initiatives (the previous commitment also considered Financial Education initiatives). As a result, the methodology for calculating Financially Included People has been redefined, and the difference with the previous year does not allow full comparability (-0.2 million vs 2022). Data for 2023 reflect only new financially included persons vs. previous year. Unique people. Each year only new financially included people are added.

8.2 People helped through Financial education initiatives^{A,B}

million people	2023	2022	2021
Financial education ^A	11.5	2.7	1.3

A. As a result of what is explained in note A of the table above, the methodology for calculating the number of people helped through financial education initiatives has also been redefined, and the difference with the previous year is not comparable. 2023 figures now includes social media initiatives to promote financial education, which makes the figure increase significantly year on year.

B. Unique people. Each year only new people helped are added.

9. Microfinance

million euros / people	2023	2022	2021
Total credit disbursed ^A	1,172.3	950.0	571.0
Total micro-entrepreneurs supported ^B	1.2	1.6	1.0

A. The increase in credit disbursed is mainly due to the bank's commitment to expand its microfinance programmes in Latin America.

8.4 Community investment

GRI 203-1, 203-2, 413-1, FS7

10. 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 for the Global Reporting Initiative (GRI), S&P Dow Jones Sustainability Index and other standards and indices.

million euros	2023	2022	2021
Support for higher education, employability, and entrepreneurship	105	100	106
Other local initiatives	69	63	46
Total	174	163	152

11. Outputs and outcomes

We have developed internal methodologies to measure people helped of our Santander Universities programme and our local community support initiatives, respectively.

11.1 People helped through Santander Universities programmes

people helped	2023	2022	2021
Higher education ^A	28,849	49,490	40,632
Employability ^B	463,045	195,798	98,480
Entrepreneurship ^A	7,036	20,739	23,120
Total^A	498,930	266,027	162,232

A. The variation in Education and Entrepreneurship programmes respond to the reclassification derived from the new taxonomy of Santander Universities, approved in 2023 and aligned to the People Helped internal methodology. This new taxonomy also includes a correction factor of 10% on the total consolidated data for the year to avoid duplication.

B. The increase in the number of people helped in Employability is mainly due to the extension of our portfolio programmes to new types of courses as part of Santander Universities' strategy to support employability. Furthermore this also considers changes in taxonomy to align to the People Helped internal methodology.

11.2 People helped from local initiatives^A

million people	2023	2022	2021
Support for childhood education	0.6	0.4	0.8
Support for social welfare	1.0	0.9	1.3
Support for the arts and science	0.1	0.0	0.0
Others	0.5	1.0	0.0
Total	2.2	2.3	2.1

A. The nature and depth of initiatives is very diverse, both between them and comparing to initiatives of Santander Universities.

8.5 Employees

GRI 2-7, 2-30, 202-1, 202-2, 401-1, 403-9, 403-10, 404-1, 405-1, 405-2
 SASB FN-AC-330a.1, FN-IB-330a.1, FN0102-06

12. EMPLOYEES BY REGION AND GENDER^A

Region	No employees		% men		% women	
	2023	2022	2023	2022	2023	2022
Spain	35,266	34,153	53	52	47	48
Brazil	57,868	55,632	46	44	54	56
Chile	9,576	9,544	44	44	56	56
Poland	13,361	13,053	34	33	66	67
Argentina	8,365	8,228	51	52	49	48
Mexico	31,239	29,389	47	47	53	53
Portugal	5,303	5,251	51	51	49	49
UK	24,221	22,905	47	45	53	55
USA	12,579	13,971	44	43	56	57
Others	14,986	14,336	51	50	49	50
Total	212,764	206,462	47	46	53	54

A. At year end. Employee data is broken down according to geographical criteria (2022 data has been updated to this criteria) and cannot be compared to the figures in the 'Economic and financial review' chapter, which follow management criteria.

13.1 DISTRIBUTION BY ROLE AND GENDER 2023^A

	Senior executives ^B			Other executives ^C			Other employees								
	Men	Women	Total	Men	Women	Total	Men	Women	Total						
Europe	1,073	68.2%	500	31.8%	1,573	10,704	58.4%	7,629	41.6%	18,333	31,413	45.2%	38,062	54.8%	69,475
North America	202	71.1%	82	28.9%	284	3,778	60.0%	2,522	40.0%	6,300	16,387	43.7%	21,111	56.3%	37,498
South America	305	68.4%	141	31.6%	446	3,878	58.9%	2,708	41.1%	6,586	32,709	45.3%	39,560	54.7%	72,269
Group total	1,580	68.6%	723	31.4%	2,303	18,360	58.8%	12,859	41.2%	31,219	80,509	44.9%	98,733	55.1%	179,242

A. At year end.

B. Includes Group Sr. Executive VP, Executive VP and VP.

C. The variation in executives includes the effect of internal reclassification and harmonization of the management levels of employees carried out across Grupo Santander.

13.2 DISTRIBUTION BY ROLE AND GENDER 2022^A

	Senior executives ^B			Other executives			Other employees								
	Men	Women	Total	Men	Women	Total	Men	Women	Total						
Europe	1,093	69.6%	478	30.4%	1,571	6,779	63.5%	3,893	36.5%	10,672	33,041	44.7%	40,919	55.3%	73,960
North America	221	77.0%	66	23.0%	287	1,334	68.2%	621	31.8%	1,955	18,300	44.3%	23,055	55.7%	41,355
South America	320	70.5%	134	29.5%	454	3,147	60.0%	2,096	40.0%	5,243	31,108	43.8%	39,857	56.2%	70,965
Group total	1,634	70.7%	678	29.3%	2,312	11,260	63.0%	6,610	37.0%	17,870	82,449	44.3%	103,831	55.7%	186,280

A. At year end.

B. The higher number of women senior executives is due to the progress made on the public Responsible Banking commitment regarding women in senior executive positions, which aims to have women in 35% of senior management roles by 2025.

14.1. WORKFORCE BY AGE BRACKET 2023^A

	aged <= 25		aged 26 - 35		aged 36 - 45		aged 46 - 50		age over 50	
	Number	% of total	Number	% of total	Number	% of total	Number	% of total	Number	% of total
Europe	5,563	6.22%	19,992	22.37%	29,111	32.57%	14,320	16.02%	20,395	22.82%
North America	5,206	11.81%	17,859	40.51%	11,713	26.57%	3,427	7.77%	5,877	13.33%
South America	12,311	15.52%	30,516	38.48%	24,156	30.46%	6,101	7.69%	6,217	7.84%
Group total	23,080	10.85%	68,367	32.13%	64,980	30.54%	23,848	11.21%	32,489	15.27%

A. At year end.

14.2. WORKFORCE BY AGE BRACKET 2022^{A,B}

Number and % of total

	aged <= 25		aged 26 - 35		aged 36 - 45		aged 46 - 50		age over 50	
	Number	%	Number	%	Number	%	Number	%	Number	%
Europe	4,875	5.66%	19,393	22.49%	29,500	34.22%	13,775	15.98%	18,660	21.65%
North America	5,114	11.73%	17,634	40.45%	11,430	26.22%	3,448	7.91%	5,971	13.70%
South America	12,306	16.05%	29,663	38.69%	23,034	30.05%	5,863	7.65%	5,796	7.56%
Group total	22,295	10.80%	66,690	32.30%	63,964	30.98%	23,086	11.18%	30,427	14.74%

A. At year end.

15.1. TYPE OF EMPLOYMENT CONTRACT IN 2023^A

	Permanent/Full-time						Permanent/Part-time					
	Men		Women		Total	Men		Women		Total		
Europe	40,888	51.4%	38,681	48.6%	79,569	860	13.7%	5,434	86.3%	6,294		
North America	20,216	46.5%	23,246	53.5%	43,462	107	21.7%	386	78.3%	493		
South America	36,654	46.6%	41,962	53.4%	78,616	27	33.3%	54	66.7%	81		
Group total	97,758	48.5%	103,889	51.5%	201,647	994	14.5%	5,874	85.5%	6,868		

	Temporary/Full-time						Temporary/Part-time					
	Men		Women		Total	Men		Women		Total		
Europe	1,270	40.6%	1,855	59.4%	3,125	172	43.8%	221	56.2%	393		
North America	44	35.5%	80	64.5%	124	0	0%	3	100%	3		
South America	211	35.2%	389	64.8%	600	0	0%	4	100%	4		
Group total	1,525	39.6%	2,324	60.4%	3,849	172	43.0%	228	57.0%	400		

A. At year end.

B. From 2023 the type of contract in Brazilian contact center units will be computed as 'full-time', taking into account the standard 6-hour working day.

15.2. TYPE OF EMPLOYMENT CONTRACT IN 2022^A

	Permanent/Full-time						Permanent/Part-time					
	Men		Women		Total	Men		Women		Total		
Europe	38,361	50.7%	37,371	49.3%	75,732	783	12.8%	5,332	87.2%	6,115		
North America	19,408	45.7%	23,054	54.3%	42,462	104	23.2%	345	76.8%	449		
South America	33,232	46.4%	38,409	53.6%	71,641	1,074	23.5%	3,499	76.5%	4,573		
Group total	91,001	47.9%	98,834	52.1%	189,835	1,961	17.6%	9,176	82.4%	11,137		

	Temporary/Full-time						Temporary/Part-time					
	Men		Women		Total	Men		Women		Total		
Europe	1,608	40.4%	2,372	59.6%	3,980	161	42.8%	215	57.2%	376		
North America	339	49.8%	342	50.2%	681	3	60.0%	2	40.0%	5		
South America	245	61.7%	152	38.3%	397	24	47.1%	27	52.9%	51		
Group total	2,192	43.3%	2,866	56.7%	5,058	188	43.5%	244	56.5%	432		

A. At year end.

16. YEARLY AVERAGE OF CONTRACTS BY GENDER

	2023			2022		
	Men	Women	Total	Men	Women	Total
Employees with permanent/full-time contract	95,851	104,281	200,133	88,260	97,216	185,476
Employees with permanent/part-time contracts	1,052	6,080	7,132	1,924	9,199	11,123
Employees with temporary/full-time contracts	1,516	2,310	3,826	1,921	2,545	4,466
Employees with temporary/part-time contracts	179	245	424	176	275	451
Group total	98,598	112,916	211,514	92,281	109,235	201,516

17.1. YEARLY AVERAGE OF CONTRACTS BY AGE BRACKET IN 2023

	aged <= 25	aged 26-35	aged 36-45	aged 46-50	aged over 50	Total
Employees with permanent/full-time contract	19,753	64,064	62,171	22,962	31,183	200,133
Employees with permanent/part-time contracts	643	1,567	2,261	793	1,867	7,132
Employees with temporary/full-time contracts	820	1,682	854	207	264	3,826
Employees with temporary/part-time contracts	131	137	84	23	50	424
Group total	21,347	67,450	65,370	23,985	33,363	211,514

17.2. YEARLY AVERAGE OF CONTRACTS BY AGE BRACKET IN 2022

	aged <= 25	aged 26-35	aged 36-45	aged 46-50	aged over 50	Total
Employees with permanent/full-time contract	16,667	59,627	60,092	21,592	27,498	185,476
Employees with permanent/part-time contracts	3,169	2,554	2,649	904	1,847	11,123
Employees with temporary/full-time contracts	1,153	1,966	893	208	246	4,466
Employees with temporary/part-time contracts	150	144	83	16	58	451
Group total	21,139	64,291	63,717	22,720	29,649	201,516

18. YEARLY AVERAGE OF CONTRACTS BY ROLE

	2023				2022			
	Executives	Managers	Other employees	Total	Executives	Managers	Other employees	Total
Employees with permanent/full-time contract	2,262	31,531	166,340	200,133	2,194	16,304	166,978	185,476
Employees with permanent/part-time contracts	6	456	6,669	7,132	7	163	10,953	11,123
Employees with temporary/full-time contracts	18	382	3,426	3,826	20	104	4,342	4,466
Employees with temporary/part-time contracts	0	83	341	424	0	17	434	451
Group total	2,287	32,452	176,776	211,514	2,221	16,588	182,707	201,516

19. EMPLOYEES WORKING IN THEIR HOME COUNTRY^{A,B}

%	Executives		Other employees		Total	
	2023	2022	2023	2022	2023	2022
Europe	90.21	88.22	91.26	94.33	91.03	94.22
North America	77.73	91.29	94.15	99.69	91.70	99.63
South America	97.06	91.85	98.23	98.23	98.12	98.19
Group total	89.20	89.32	94.68	96.92	93.81	96.84

A. At year end.

B. We gather the country of birth following local regulations and requirements in most of our units. Employees who preferred not to disclose this information (representing 17.8% of the total, mainly in Poland, the United Kingdom and the United States) are counted as born in the country where they are employed at the end of the year..

20.1 EMPLOYEES WITH DISABILITIES BY REGION^{A,B}

%	2023	2022
Europe	2.19	1.98
North America	0.92	0.67
South America	2.94	2.80
Group total	2.21	1.99

A. At year end.

B. In US and UK, employees with disabilities are counted through self-identification.

20.2. EMPLOYEES WITH DISABILITIES^{A,B}

Number of employees	2023	2022
Spain	570	564
Rest of the Group	4,131	3,550
Group total	4,701	4,114

A. At year end.

B. In US and UK, employees with disabilities are counted through self-identification.

21. HEADCOUNT COVERED BY COLLECTIVE AGREEMENT^A

Countries	2023		2022	
	%	Employees	%	Employees
Spain	99.95	35,247	99.94	34,132
Brazil	96.77	55,998	97.18	54,061
Chile	100.00	9,576	99.48	9,494
Poland	0.00	0	0.00	0
Argentina	81.06	6,781	86.05	7,080
Mexico	28.24	8,823	27.64	8,122
Portugal	88.25	4,680	90.46	4,750
UK	99.32	24,057	96.63	22,134
US	0.00	0	0.00	0
Other business units	37.51	5,621	45.98	6,592
Total Group	70.3	149,575	70.89	146,365

A. At year end. Data is broken down according to geographical criteria (2022 data has been updated to this criteria).

22.1. NEW HIRES BY AGE BRACKET IN 2023^A

% of total	aged <= 25					aged 26-35					aged 36-45					aged over 45					aged > 50				
Europe	25.61					40.44					20.75					6.32					6.87				
North America	29.44					44.68					16.94					4.40					4.53				
South America	32.23					42.37					18.94					3.57					2.89				
Group total	29.79					42.40					18.95					4.50					4.35				

A. In 2023, the calculation criteria and systems for all geographies have been unified.

22.2. NEW HIRES BY AGE BRACKET IN 2022^A

% of total	aged <= 25					aged 26-35					aged 36-45					aged over 45					aged > 50				
Europe	31.23					39.98					19.94					4.84					4.02				
North America	34.00					40.65					16.22					4.04					5.09				
South America	41.69					38.02					15.59					2.54					2.15				
Group total	37.01					39.20					16.88					3.52					3.39				

A. UK categorises all new employee registrations as new hires.

23. NEW HIRES BY GENDER^A

	2023			2022		
	Men	Women	Total	Men	Women	Total
Europe	14.66%	12.79%	13.68%	15.10%	13.55%	14.28%
North America	26.74%	22.27%	24.31%	30.00%	26.42%	28.05%
South America	27.84%	28.29%	28.09%	28.97%	31.02%	30.10%
Group total	21.97%	20.71%	21.29%	23.23%	22.92%	23.06%

A. UK categorises all new hires as new hires.

24. DISMISSALS^A

by gender and role	2023						2022					
	Men	% ^B	Women	% ^B	Total	% ^B	Men	% ^B	Women	% ^B	Total	% ^B
Senior executives	57	3.58%	18	2.63%	75	3.28%	58	3.55%	17	2.51%	75	3.24%
Other executives ^C	759	4.17%	612	4.72%	1,371	4.22%	378	3.36%	216	3.27%	594	3.32%
Other employees	5,226	6.89%	7,497	7.77%	12,723	7.20%	5,771	7.00%	7,837	7.55%	13,608	7.31%
Total Group	6,042	6.13%	8,127	7.20%	14,169	6.70%	6,207	6.51%	8,070	7.26%	14,277	6.92%

by gender and age

	2023			2022		
	Men	Women	Total	Men	Women	Total
aged <=25	960	1,547	2,507	1,002	1,546	2,548
aged 26-35	2,100	2,608	4,708	2,025	2,719	4,744
aged 36-45	1,609	2,308	3,917	1,539	2,229	3,768
aged 46-50	502	619	1,121	558	594	1,152
aged >50	871	1,045	1,916	1,083	982	2,065
Total Group	6,042	8,127	14,169	6,207	8,070	14,277

A. Dismissal: termination of permanent employment determined unilaterally by the company. It includes voluntary resignations in restructuring processes.

B. Ratio of dismissals to the total number of employees in each group.

C. The variation in executives includes the effect of internal reclassification and harmonization of the management levels of employees carried out across Grupo Santander.

25. EXTERNAL TURNOVER RATE BY GENDER^A

% of total	2023			2022		
	Men	Women	Total	Men	Women	Total
Europe	9.60	10.49	10.07	10.36	10.30	10.33
North America	25.31	23.29	24.21	31.28	28.35	29.68
South America	22.88	29.37	26.41	24.68	30.89	28.09
Group total	17.69	20.40	19.14	19.90	21.93	20.99

A. Excludes temporary leaves of absence and transfers to other Group companies.

26.1 EXTERNAL TURNOVER RATE BY AGE BRACKET^A 2023

% of total	aged <= 25	aged 26-35	aged 36-45	aged 46-50	aged over 50	Total
	Europe	28.31	15.38	7.30	4.57	
North America	39.96	25.87	19.06	18.75	20.74	24.21
South America	51.95	25.17	20.17	16.25	18.71	26.41
Group total	43.94	22.55	14.26	9.68	12.72	19.14

A. Excludes temporary leaves of absence and transfers to other Group companies.

26.2. EXTERNAL TURNOVER RATE BY AGE BRACKET^A 2022

% of total	aged <= 25	aged 26-35	aged 36-45	aged 46-50	aged over 50	Total
Europe	31.10	16.62	6.96	4.27	8.29	10.33
North America	60.66	30.29	21.09	20.04	23.38	29.68
South America	51.78	27.80	20.06	16.65	22.76	28.09
Group total	49.29	25.21	14.20	9.77	14.00	20.99

A. Excludes temporary leaves of absence and transfers to other Group companies.

27. REMUNERATION BY ROLE, GENDER AND REGION^A

	Senior executives ^B				Other executives			
	Men	Women	GPG ratio (Median) ^C	GPG-SAB ratio (Median) ^D	Men	Women	GPG ratio (Median) ^C	GPG-SAB ratio (Median) ^D
Europe	498,350	348,263	18.8%	13.3%	147,649	108,662	15.1%	15.1%
North America	796,406	576,925	29.0%	13.7%	150,795	97,475	29.3%	30.5%
South America	584,353	325,287	35.6%	20.0%	158,856	134,045	12.7%	9.9%
Group total	550,670	368,162	28.0%	17.9%	150,169	108,384	20.0%	18.8%
2023 average remuneration	493,914				134,691			
2022 average remuneration	469,180				132,943			
Variation 2023 vs. 2022 (%)	5.3%				1.3%			

	Other employees				Total				
	Men	Women	Ratio GPG (Median) ^C	GPG-SAB ratio (Median) ^D	Men	Women	Ratio GPG (Median) ^C	GPG-SAB ratio (Median) ^D	Total employees
Europe	54,880	43,839	17.9%	16.3%	80,843	52,404	22.4%	19.8%	65,983
North America	51,546	36,278	19.8%	22.6%	74,118	43,176	30.2%	28.0%	57,110
South America	30,464	22,611	21.8%	24.5%	40,607	25,735	25.9%	29.1%	32,666
Group total	44,223	33,846	23.3%	22.4%	64,318	40,310	27.8%	29.0%	51,535
2023 average remuneration	38,516				64,318	40,310	27.8%	29.0%	51,535
2022 average remuneration	38,276				60,793	37,606	30.2%	29.8%	48,232
Variation 2023 vs 2022 (%)	0.6%				5.8%	7.2%	(7.8%)	(2.6%)	6.8%

By age bracket

	aged <= 25	aged 26-35	aged 36-45	aged 46-50	aged over 50	Total
2023 average remuneration	14,792	29,882	51,887	70,415	79,958	51,535
2022 average remuneration	14,060	27,551	48,002	65,336	74,744	48,232
Variation 2023 vs 2022 (%)	5.2%	8.5%	8.1%	7.8%	7.0%	6.8%

A. The average total remuneration of employees includes annual base salary, pensions and variable remuneration paid in the year.

B. Includes Group Sr. Executive VP, Executive VP and VP.

C. GPG Ratio (median) includes annual base salary and variable remuneration paid in the year. Gender Pay Gap has decreased for 2nd consecutive year and it becomes the lowest historical data.

D. GPG Ratio - ABS (median) includes annual base salary paid in the year.

28.1 AVERAGE REMUNERATION OF SENIOR MANAGEMENT (with variable remuneration not linked to long-term objectives)

Thousand euros	2023			2022		
	Men	Women	Total	Men	Women	Total
Executive directors	8,257	11,544	9,900	9,086	11,001	10,044
Non-executive directors	368	327	352	285	304	292
Senior management	4,112	1,645	3,583	4,365	1,574	3,767

28.2 AVERAGE VARIABLE REMUNERATION OF SENIOR MANAGEMENT LINKED TO LONG-TERM OBJECTIVES (fair value)

Thousand euros	2023			2022		
	Men	Women	Total	Men	Women	Total
Executive directors	1,537	2,243	1,890	1,436	2,128	1,782
Senior management ^A	563	189	483	597	191	510

A. Additionally, in 2023, one senior executive received EUR 200,000 of the Digital Transformation award from PagoNxt S.L. In 2022, one senior executive also received EUR 500,000 of the Digital Transformation award from PagoNxt S.L.

28.3 SENIOR MANAGEMENT COMPOSITION

Number	2023			2022		
	Men	Women	Total	Men	Women	Total
Executive directors	1	1	2	1	1	2
Non-executive directors	8	5	13	8	5	13
Senior management	11	3	14	11	3	14

29.1 RATIO OF THE BANK'S MINIMUM ANNUAL SALARY TO THE LEGAL MINIMUM ANNUAL SALARY BY COUNTRY AND GENDER, 2023^A

	% Legal minimum wage		
	Men	Women	% legal minimum wage
Argentina	315%	315%	315%
Brazil	121%	121%	121%
Chile	213%	213%	213%
US	276%	276%	276%
Spain	141%	141%	141%
Mexico	100%	100%	100%
Poland	101%	101%	101%
Portugal	184%	184%	184%
UK ^B	112%	112%	112%

A. The lowest salary paid by the companies in the country over the minimum legal salary of the country.

B. From 2023 for the UK, the legal minimum wage is considered to be that for employees over 23, which is higher than the +18 and apprentices considered in 2022.

29.2 RATIO OF THE BANK'S MINIMUM ANNUAL SALARY TO THE LEGAL MINIMUM ANNUAL SALARY BY COUNTRY AND GENDER, 2022^{A,B}

	% Legal minimum wage		
	Men	Women	% Legal minimum wage
Germany	191%	191%	191%
Argentina	377%	377%	377%
Brazil	241%	241%	241%
Chile	160%	140%	150%
US	234%	232%	233%
Spain	154%	150%	152%
Mexico	145%	145%	145%
Poland	100%	100%	100%
Portugal	170%	170%	170%
UK	223%	223%	223%

A. The lowest salary paid by the companies in the country over the minimum legal salary of the country.

B. In 2022 only the employees of Banco Santander Brazil, Banco Santander Chile and Banco Santander Mexico were taken into account; and from 2023 we have also compared the employees of the other companies in these three countries.

30. TRAINING

	2023	2022
Total hours of training	6,067,569	6,884,251
% employees trained ^A	89.48	100.00
Total attendees	6,775,921	5,748,422
Hours of training per employee ^B	28.69	33.34
Total investment in training ^C	60,162,751	71,630,151
Investment per employee	284.44	346.94
Cost per hour	9.92	10.40
% women participants	50.42	55.18
Employee satisfaction (up to 10)	8.93	9.81

A. Calculation based on year-end headcount.

B. Calculation based on average headcount for the year.

C. The decrease in investment in training is due to Banco Santander's efforts to optimise the resources invested by increasing e-learning training.

31. HOURS OF TRAINING BY CATEGORY

	2023		2022	
	Hours	Average	Hours	Average
Senior executives	77,889	34.06	87,353	37.78
Other executives	857,455	26.42	493,474	27.61
Other employees	5,132,225	29.03	6,303,424	33.84
Group total	6,067,569	28.69	6,884,251	33.34

32. HOURS OF TRAINING BY GENDER

	2023	2022
	Average	Average
Men	29.6	33.15
Women	27.88	33.51
Group total	28.69	33.34

33. ABSENTEEISM BY GENDER AND REGION^{A,B}

	2023			2022		
	Men	Women	Total	Men	Women	Total
Europe	2.13	4.55	3.39	2.68	5.36	4.11
North America	0.84	1.66	1.28	0.95	2.05	1.55
South America ^C	2.18	5.29	3.87	1.45	3.14	2.34
Group total	1.89	4.22	3.13	1.80	3.73	2.83

A. Days missed due to occupational accidents, non-work related illness and non-work related accident for every 100 days worked.

B. Santander Brasil only considers accidents recognized as work-related and reported in a *comunicação de acidente de trabalho* (CAT, work-related accident notice) to Brazil's Instituto Nacional do Seguro Social (INSS, National Social Security Institute) following an internal expert review in 2023. This indicator only considers absences of at least 15 days due to accidents or common illness.

C. Criteria, processes and systems have been harmonized to homogenize the calculation of medical absences and non-occupational accidents in all countries.

D. In 2023, 16.9 million equivalent hours of absenteeism due to common illness and non-occupational accidents, counted in calendar days from the day of onset to the reinstatement of the medical leave, a criterion that will be applied from 2023. In 2022, there were 9.8 million hours counted in working days.

34. ACCIDENT RATE^{A,B}

%	2023			2022		
	Men	Women	Total	Men	Women	Total
Europe	0.02	0.09	0.06	0.04	0.12	0.08
North America	0.03	0.03	0.03	0.01	0.04	0.02
South America	0.01	0.00	0.00	0.02	0.03	0.02
Group total	0.02	0.04	0.03	0.02	0.06	0.05

A. Ratio of hours missed due to an occupational accident involving leave to total hours worked. Hours worked are theoretical and include commute-related accidents.

B. Santander Brasil only considers accidents recognized as work-related and reported in a *comunicação de acidente de trabalho* (CAT, work-related accident notice) to Brazil's Instituto Nacional do Seguro Social (INSS, National Social Security Institute) following an internal expert review in 2023. This indicator only considers accidents of at least 15 days.

35. OCCUPATIONAL HEALTH AND SAFETY^{A,B}

	2023			2022		
	Men	Women	Total	Men	Women	Total
Frequency rate ^C	1	1	1	1	2	1
Severity rate ^D	0.03	0.06	0.04	0.04	0.09	0.06
No. of fatal occupational accidents	0	0	0	1	0	1
Work-related illness ^E	3	12	15	0	0	0
Total number of accidents ^F	128	271	399	239	477	716

- A. Occupational injuries that can be documented are reported, without exception for serious injuries. There have been no significant changes in occupational health and safety trends, apart from natural evolution and prevention actions. Criteria, processes and systems have been harmonized to homogenize the calculation of medical absences and non-occupational accidents in all countries, with global criteria.
- B. Santander Brasil only considers accidents recognized as work-related and reported in a *comunicação de acidente de trabalho* (CAT, work-related accident notice) to Brazil's Instituto Nacional do Seguro Social (INSS, National Social Security Institute) following an internal expert review in 2023. This indicator only considers accidents of at least 15 days.
- C. Number of occupational accidents with leave for every 1,000,000 hours worked. Hours worked are theoretical and include commute-related accidents.
- D. Days not worked due to work accident with leave for every 1,000 hours worked. Hours worked are theoretical. Commute-related accidents are included.
- E. Starting in 2023 it's been reported globally, following the local regulation for occupational illnesses where they are regulated country-wide or for specific jobs.
- F. Refers to occupational accidents with sick leave and includes commute-related accidents.

8.6 Green transition

GRI 301-1, 302-1, 302-2, 302-3, 303-5, 305-1, 305-2, 305-3, 305-4, 305-5, 306-3, 306-4, 306-5, FS8, FS11

36. Green finance^A

EUR bn	2023	2022	2021	2020
Raised and facilitated	20.2	28.8	31.9	14.8
Accumulated since 2019	114.6	94.5	65.7	33.8

- A. From January to September 2023, CIB contributed EUR 20.2 billion to the green finance target. According to Dealogic, Infralogic, TXF 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. This information will be updated to year end in the next Climate Finance Report. Preliminary figures as final league tables were not yet available at editorial close.

37. Financed emissions for alignment^A

Sector	Year ^B	Exposure (drawn amount €bn)	Emissions scope	Absolute emissions (mtCO ₂ e)	Physical emissions intensity	Financial emissions intensity (mtCO ₂ e/EUR bn lent)	Overall PCAF score ^C
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
Energy (Oil & Gas)	2020	6.67	1 + 2 + 3 ^D	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
Aviation	2020	2.44	1 + 2	1.08	93.05 grCO ₂ e/RPK	0.44	3.7
	2021	2.02		0.84	97.21 grCO ₂ e/RPK	0.42	3.2
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
Auto - manufacturing	2020	4.45	3 ^D	3.49	149 gCO ₂ e/vkm	0.79	3.1
	2021	3.90		2.67	138 gCO ₂ e/vkm	0.68	3.0
Agro ^E	2022	1.80	1 + 2	6.20	N/A	3.52	3.3
Auto - lending ^F	2022	55.27	1 + 2	5.84	137 gCO ₂ e/vkm	0.11	3.2
Mortgages ^G	2022	211.05	1 + 2	2.63	39.72 kgCO ₂ e/m ²	0.01	3.3

- 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. 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 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.
- D. Scope 3 - category 11: use of sold products.
- E. Agriculture portfolio in Brazil. Considering different commodities (such as soy, corn, rice, sugarcane, cotton, and coffee, measured in tons) and meat and dairy products (measured per head of cattle), in addition to the land use change (measured in hectares), currently not consolidated into a single physical emission intensity. Since there is no specific methodology for agriculture, PCAF score was adapted considering the data available in primary production portfolio that made possible to measure land management emissions. Data as of March 2022.
- F. Consumer lending for the acquisition of passenger cars, covering a significant majority of the exposure in Europe.
- G. Mortgages portfolio in the United Kingdom. Assessment includes Scope 1 and 2 emissions based on actual (where available) and modelled EPC's. From our total lending on the balance sheet, about 8.0% of our exposure are from sectors for which Santander published emissions decarbonization targets for high-emitting sectors (power generation, energy (oil and gas), aviation, steel, auto manufacturing and auto lending) and around 17.8% of total SCIB lending. Using baselines exposures with different time horizons as per above table, and balance sheet exposures as of December 2022.

38. ENVIRONMENTAL FOOTPRINT 2022-2023^A





	2023	2022	Var. 2023-2022 (%)
Consumption			
Water (m ³) ^B	1,858,645	1,887,857	-1.5
Water (m ³ /employee)	9.56	9.75	-1.9
Normal electricity (millions of kwh)	25.63	97.42	-73.7
Green electricity (millions of kwh)	779.68	745.82	4.5
Total electricity (millions of kwh)	805.31	843.24	-4.5
Total internal energy consumption (GJ)	3,444,543	3,431,272	0.4
Total internal energy consumption per employee (GJ/employee)	17.72	17.73	0.0
Total paper (t) ^C	4,932	5,849	-15.7
Recycled or certified paper (t) ^C	4,417	4,860	-9.1
Total paper per employee (t/employee) ^C	0.025	0.030	-15.9
Waste			
Paper and cardboard waste (kg) ^C	3,787,667	4,123,740	-8.1
Paper and cardboard waste per employee (kg/employee) ^C	19.49	21.30	-8.5
Greenhouse gas emissions^H			
Direct emissions (t CO ₂ e) ^D	25,755	21,967	17.2
Indirect electricity emissions and other (t CO ₂ e)-market based ^{E,F}	21,516	30,917	-30.4
Indirect electricity emissions and other (t CO ₂ e)-location based ^{E,F}	205,292	217,906	-5.8
Indirect emissions from displacement of employees (t CO ₂ e) ^G	125,441	81,535	53.8
Total emissions (t CO ₂ e) - market based	172,711	134,419	28.5
Total emissions per employee(t CO ₂ e/employee)	0.89	0.69	28.0

- A. For 2023 information is included for more than 96% of the employees in the main countries of operation: Germany, Argentina, Brazil, Chile, Spain, Mexico, Poland, Portugal, United Kingdom and the United States; the data consolidation approach is based on operational control of GHG Protocol, where we have full authority to introduce and implement Group's operational policies.
- B. Santander consumes water exclusively from public water supply networks.
- C. The reduction in paper consumption and paper waste continues the downward trend of recent years, in line with the digitalization of the Group and society.
- D. These emissions are from direct energy consumption: natural gas, diesel and fleet fuel consumption where applicable (Mexico, Brazil, Chile and Poland this year), and correspond to Scope 1, as defined by the GHG Protocol standard. To calculate these emissions, emission factors DEFRA 2023 for fiscal year 2023 and DEFRA 2022 for fiscal year 2022 have been applied. The increase in Scope 1 is due to the increase in the vehicle fleet and the higher commercial activity post-pandemic. On the other hand, the consumption of natural gas and diesel continues the downward trend of recent years.
- E. These emissions include those derived from electricity consumption and correspond to scope 2 as defined by the GHG Protocol standard. For 2023, they have been calculated with the International Energy Agency (IEA) 2023 emission factors. For 2022, the 2021 IEA emission factors were used.
- Indirect electricity emissions - market-based: for the calculation of these emissions, it has been taken into account that the countries of Germany, Spain, Mexico, Brazil, Chile, Portugal and the UK consume 100% electricity from renewable sources, and for Argentina, Poland and USA this percentage is 79.7%. For the remaining non-renewable electricity consumed, the IEA emission factor for each country has been applied.
- Indirect electricity - location-based emissions: the IEA emission factor corresponding to each country has been applied for all purchased electricity consumed, regardless of its source of origin (renewable or non-renewable).
- These emissions also include district heating consumption of buildings in Poland. The emission factor used is the 2022 factor from the URE - Urząd Regulacji Energetyki (ure.gov.pl).
- F. The reduction in indirect electricity emissions is due to the increase in the purchase of electricity from renewable sources, self-production in our own buildings with solar panels (5.8 million of kWh of auto produced in 2023) and energy efficiency measures.
- G. These emissions include emissions from employee commuting in each country (networks and central services) by individual car, company car and/or public transport (75,380 t CO₂e in 2023), and from employee business travel by plane, train and/or car (50,061 t CO₂e in 2023). The distribution of employees by type of travel is based on surveys, statistics or reasonable estimates. For the calculation of emissions from employee commuting, the conversion factors DEFRA 2023 for fiscal year 2023 and DEFRA 2022 for fiscal year 2022 have been applied. For the conversion of aviation kms, the DEFRA 2023 factors that include the direct effects of CO₂, CH₄ and N₂O have been used in 2023, aligned with market practice. In 2022 indirect impacts were included. Emissions derived from the use of courier services are not included, nor those derived from the transport of funds, nor those from any other purchase of products or services, nor those indirectly motivated by the financial services provided.
- H. Group's total emissions increased in 2023, mainly due to the return of employees to branches after the lifting of restrictions and the recovery of business travel and the improvement of the group's operational control procedures in the countries.

8.7 Equator principles

GRI 411-1, 413-2, FS10, FS11

39. Equator Principles

Number of projects Category	Project Finance			Project Related Corporate Loans			Project-Related Refinance and Project-Related Acquisition for Project Finance		
	A	B	C	A	B	C	A	B	C
TOTAL	8	24	4	4	0	1	0	0	0
 Sector									
Mining	0	0	0	0	0	0	0	0	0
Infrastructure	2	2	0	0	0	0	0	0	0
Oil & Gas	3	1	0	1	0	0	0	0	0
Power	1	19	4	0	0	0	0	0	0
Others	2	2	0	3	0	1	0	0	0
 Region									
Americas	4	3	2	0	0	1	0	0	0
Europe, Middle East & Africa	4	21	2	2	0	0	0	0	0
Asia pacific	0	0	0	2	0	0	0	0	0
 Type									
Designated countries ^A	5	22	4	0	0	0	0	0	0
Non-designated countries	3	2	0	4	0	1	0	0	0
 Independent review									
Yes	8	24	4	4	0	1	0	0	0
No	0	0	0	0	0	0	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 measures²; and

Category C – Projects with minimal or no adverse environmental and social risks and/or impacts.

8.8 Country by country report (according to GRI 207-4)

GRI 207-4

According GRI 207-4 TAX, a report of financial, economic and tax-related information is required for each country where Santander operates. Profit/loss before tax, corporate income tax paid in cash, and the calculation of the number of employees are already included in [Appendix VI](#) of the consolidated financial statements (Annual Banking Report):

Table 40. Country by country report (according to GRI 207-4).

EUR million

Jurisdiction	2023			
	Revenue from third-party sales ^A	Revenue from intra-group transactions with other tax jurisdictions ^A	Tangible assets other than cash and cash equivalents ^B	Corporate income tax accrued on profit/loss ^C
Germany	1,635	-97	3,675	76
Argentina	1,643	-67	449	235
Australia	6	0	2	0
Austria	238	-20	14	18
Bahamas	36	9	1	0
Belgium	70	51	66	7
Brazil ^D	12,568	-137	1,731	1,353
Canada	90	-16	1	3
Chile	2,241	4	521	289
China	13	16	2	0
Colombia	89	4	2	1
United Arab Emirates	4	4	1	0
Spain ^E	8,565	1,986	10,806	378
United States	7,335	-272	13,550	479
Denmark	219	-4	143	26
Finland	122	-21	39	10
France	1,158	-236	90	31
Greece	14	-5	1	0
Hong Kong	175	-57	8	5
India	0	2	0	0
Ireland	2	18	824	3
Isle of Man	-78	128	10	3
Italy	850	-269	93	52
Jersey	-39	72	11	1
Luxembourg	460	72	0	216
Mexico	5,991	-51	1,962	737
Norway	344	-101	8	-7
Netherlands	138	25	119	98
Peru	202	-6	5	21
Poland	3,584	18	268	390
Portugal	2,113	-55	461	399
United Kingdom	6,623	-9	1,917	685
Romania	5	0	0	0
Singapore	45	-25	1	1
Sweden	187	-33	2	-3
Switzerland	174	-9	66	10
Uruguay	601	-8	53	51
Consolidated group total	57,423	911	36,902	5,568

- A. Revenue from intra-group transactions with other tax jurisdictions includes interest income; interest expenses; commission income and expenses for transactions between Santander companies whose residence is in different tax jurisdictions; and intra-group income, excluded from total income in the consolidated income statement because counterparty expense is recorded under another item of the consolidated income statement not included in total income.
- B. Tangible assets: Composed of tangible assets, non-current assets held for sale and inventories.
- C. The accrued corporate income tax is a current-year expense and does not include deferred taxes.
- D. Including the information about a branch in the Cayman Islands with EUR 194 million in accrued corporate income tax.
- E. Includes Corporate Centre.

Corporate income tax accrued on profit/loss and the tax due if the statutory tax rate is applied to profit/loss before tax are different mainly because of tax calculation standards, which establish temporary or permanent restrictions on the deduction of expenses, exemptions, deductions and other adjustments that cause the tax and accounting result to differ.

Some adjustments to the taxable income in the Group's relevant jurisdictions are:

- the monetary correction in Chile and Mexico;
- the hyperinflation adjustments in Argentina;
- the deduction of juros and taxes on margins in Brazil;
- and permanent adjustments in Poland and other jurisdictions due to non-deductible expenses (like Bank Levy) or recognized provisions.

9. Further information

9.1 Stakeholder engagement

GRI 2-29, 3-3, F55

9.1.1 Listening to our stakeholders and creating value

We run surveys and speak-up channels for employees and customers. We assess externalities to identify risks and opportunities and to appraise our impact on the community. We respond to demands from analysts, investors and ratings and NGOs; keep pace with new regulation and best practices worldwide; and take part in consultations with authorities, trade bodies and other organizations that influence policymaking on sustainable development.

We're also involved in major local and international initiatives to support inclusive and sustainable growth.

Regarding the relationship with our shareholders, Banco Santander's priority is to maximize value for, and retain the trust and loyalty of our 3.7 million shareholders worldwide. Our Shareholder and Investor Relations team works to uphold shareholders' rights, ensure we are transparent, strengthen shareholder relations, foster fluid dialogue, promote shareholder involvement in the bank's business, and facilitate their engagement with top management



For more details, see section 1. 'Economy, regulation and competition' in the 'Economic and financial review' chapter.



For more details, see sections 2.1 'Share capital', 2.6 'Stock market information', 3.1 'Shareholder communication and engagement' and 3.3 'Dividends and shareholder remuneration' in the Corporate Governance chapter.

Key dialogue channels for stakeholders

People 	91% aggregated participation in Your voice Survey ^A	3,611 complaints received through ethical channels		
Customers 	+9 million customer satisfaction surveys	453,224 complaints received		
Shareholders 	9,120 responses from retail shareholders on their perception of Santander as a bank that is Simple, Personal and Fair	239,238 responses from retail shareholders and institutional investors in quality studies and surveys ^C	206 events with retail shareholders	930 contacts with institutional investors (47 on ESG matters)
Communities 	1,238 partner universities and institutions ^B	+400 social media profiles +30 million followers		

A. 169,590 employees participated in the survey out of the total base of employees eligible to participate in the survey, i.e. who met some criteria such as not being on leave, working in the company for at least 3 months, etc.
 B. This figure includes universities that have an agreement with Santander Universities, Universia and Fundación Universia's in 26 countries. Taking Santander Universities alone, the figure is 904 universities and academic institutions in 12 countries.
 C. Includes 9,120 retail shareholder responses received through the Santander perception survey as Simple, Personal and Fair.

9.1.2 Helping society tackle global challenges: 2030 agenda

Our activity contributes to several United Nations' Sustainable Development Goals and to the Paris Agreement.

We analysed our agenda's contribution to the SDGs and determined the most relevant goals to Banco Santander's business, commitments and strategy.

For more details, see the 'Banco Santander and the SDGs' brochure on our corporate website.



The SDGs on which Banco Santander has the greatest impact

8 DECENT WORK AND ECONOMIC GROWTH

SDG 8. Decent Work and Economic Growth

We guarantee the best employee experience and an inclusive workplace. Our financial inclusion and community support programmes help entrepreneurs create businesses and jobs; and strength local economies.

13 CLIMATE ACTION

SDG 13. Climate Action

We tackle climate change with the ambition to be net zero by 2050, helping our customers transition to a sustainable economy and reducing our own carbon footprint and environmental impact.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

SDG 16. Peace, Justice, and Strong Institutions

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 commitments towards a more responsible banking system.

Other SDGs on which Banco Santander also has an impact

1 NO POVERTY

SDG 1. No Poverty

We want to reduce poverty and boost wealth and well-being in the countries where we operate. Our financial inclusion products and services and our community investment programmes empower millions each year.

5 GENDER EQUALITY

SDG 5. Gender Equality

We promote an inclusive and diverse workplace, ensuring equal opportunity as a strategic priority. We also run initiatives to drive diversity.

10 REDUCED INEQUALITIES

SDG 10. Reducing Inequality

Our products and services give society's most vulnerable better access to financial services, and we teach them the concepts and skills they need to manage their finances effectively.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

SDG 12. Responsible Consumption and Production

We are firmly committed to reducing our environmental footprint, implementing energy efficiency plans, promoting the use of renewable energies and offsetting the consumption of our internal operations.

4 QUALITY EDUCATION

SDG 4. Quality Education

Our pioneering Santander Universities programme promotes education, entrepreneurship and employment so universities and students can prosper. Also, Santander Scholarships is one of the world's largest private education grant funds.

7 AFFORDABLE AND CLEAN ENERGY

SDG 7. Affordable and Clean Energy

We're the global leader in renewable energy financing, and finance energy efficiency projects; low-emission, electric and hybrid vehicles; and other cleaner transport solutions.

11 SUSTAINABLE CITIES AND COMMUNITIES

SDG 11. Sustainable Cities and Communities

We finance sustainable infrastructure and promote access to affordable housing to guarantee basic services and inclusive economic growth.

17 PARTNERSHIPS FOR THE GOALS

SDG 17. Partnerships for the Goals

We participate in prominent local and international initiatives and working groups.

For more details, see section [10.8 'SDGs contribution content index'](#).

9.1.3 Partnerships to promote our sustainability agenda

GRI 2-23

We drive our responsible banking agenda through a number of local and international initiatives and working groups, including:

UNEP Finance Initiative

We are an active member of UNEP FI and a founding signatory to the United Nations Principles for Responsible Banking.

United Nations Global Compact

We've been part of the Global Compact network since 2002 and a member signatory of the United Nations Global Compact's gender equality programme since 2020.

Glasgow Financial Alliance for Net Zero, Net Zero Banking Alliance and Net Zero Asset Management

In support of our net-zero ambition, we joined the Glasgow Financial Alliance for Net Zero, Net Zero Asset Managers and were co-founders to the Net Zero Banking Alliance. Within GFANZ, we co-led the Net Zero Public Policy and their call to action launched in October.

World Business Council for Sustainable Development (WBCSD)

As members of WBCSD, in 2023, we continued participating in the Banking for Impact on Climate in Agriculture (B4ICA) initiative.

Banking Environment Initiative (BEI)

We continued to participate in the Bank 2030 initiative, aimed at building a roadmap for the banking industry to help society in the transition towards a low-carbon economy.

CEO Partnership for Economic Inclusion

Since 2018 we have been part of a private-sector alliance for financial inclusion, led by Queen Máxima of the Netherlands, Special Representative of the United Nations, to promote inclusive financing for development. The Partnership has concluded by end of 2023.

Other international and local initiatives that Santander supports

- UN Women's Empowerment Principles
- The Valuable 500
- UN Principles for Responsible Investment
- CDP
- UN Global Investors for Sustainable Development (GISD) Alliance
- Green Recovery Alliance of the European Union
- Equator Principles
- Partnership for Carbon Accounting Financials (PCAF)
- Round Table on Responsible Soy
- Working Group on Sustainable Livestock
- Climate Leadership Council
- The Wolfsberg Group
- United For Wildlife's Financial Taskforce against the illegal wildlife trade
- United Nations Office on Drugs and Crime's (UNODC) Private Sector Dialogue on the Disruption of Financial Crimes Related to Environmental Crimes

9.2 Main internal regulations and governance

GRI 2-23, 2-24, 3-3, FS1

In 2023, we continued to work on embedding ESG standards in all the Group's operations and procedures. We rolled out our Responsible banking model to local units. This model sets out

the roles and responsibilities in critical sustainability management and underpinned the development of operating models for Green Finance, risk, ESG reporting and other areas

Cross-cutting regulations to embed ESG standards in our business model

Responsible banking framework ^A	Responsible banking and sustainability policy	Responsible banking model
Establishes responsible banking as a strategic topic for Grupo Santander and all local units.	Sets out our sustainability principles, commitments, targets and strategy (including human rights protection) to create long-term stakeholder value.	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, we have regulations on Own workforce (see section 4. 'Acting responsibly towards employees'); Consumers and end users (see section 5. 'Acting responsibly towards customers'); donations policy (see section 6. 'Supporting communities'); and Business conduct (see section 7. 'Business conduct').

All regulations (corporate frameworks, models, policies and procedures) referred to maintain a high level of governance, and the highest standards in terms of their elaboration, approval, and in the monitoring of their local transposition.

The approval of the regulations shall be the responsibility of the board of directors or its committees, when the regulated matter falls within their scope of responsibility according to their rules and regulations³⁵. 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 sustainable; 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.

Santander publicly maintains key regulations at our website santander.com/en/our-approach/policies and santander.com/codes-of-conduct.

³⁵ For more information, please visit our website santander.com/rules-and-regulations-board-of-directors.

Governance

GRI 2-9, 2-12, 2-13, 2-14, 3-3, FS1, FS2, FS3

Board of directors

The board of directors 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;
- ensures that the alignment of the responsible banking strategy is consistent with Group strategy;
- reviews the performance against the public commitments and that the metrics are covered within the responsible banking agenda;
- tracks key initiatives
- reviews subsidiaries' strategies.

Responsible banking, sustainability & culture committee (RBSCC)

The committee supports the board and oversees the Group's responsible banking agenda and strategy.



For more details, see section [4.9 'Responsible banking, sustainability and culture committee activities in 2023'](#) in the Corporate governance chapter

The RBSCC coordinates its activities with the other board committees, in particular with the risk supervision, regulation, and compliance committee, the board audit committee and the remuneration committee. The first one has assessed the ESG policies and ESG risk appetite, the second has supervised financial and non-financial reporting and disclosures, as well as related ESG processes and controls and the third has approved the sustainability incentives in reward schemes .

Management meeting

Chaired by the CEO, it discusses our progress on the responsible banking agenda, especially as regards to climate change, TCFD and ESG business opportunities.

In 2023, the committee was informed 3 times on progress made with the responsible banking agenda.

Responsible banking forum

Executes the responsible banking agenda across the Group; drives decision-making on responsible banking issues; ensures the execution of any mandates from the RBSCC, other board committees and the board of directors; and ensures alignment with key issues, including the review and escalation of reports to the RBSCC.

Group responsible banking unit

Coordinates and drives the responsible banking agenda, with support from a senior adviser on responsible business practices who reports directly to the executive chair.

Responsible banking network

Our subsidiaries' Responsible banking teams execute the sustainability agenda according to our corporate strategy and policies.

We issue guiding principles for subsidiaries and global business units to embed our responsible banking agenda across the Group.

In 2023, the network held 5 virtual meetings to discuss progress on the Group's agenda and we ran the fifth Responsible Banking workshop, which was physically attended by representatives from all businesses and geographies. The network discussed priority areas of sustainability strategy, including climate and environment, social agenda, ESG risk management, sustainable business, materiality assessment, and reporting.

9.3 Our targets

Meeting our public targets

Following the UN Principles for Responsible Banking, of which we are a founding member, we have set targets in those areas where we have the greatest potential impact.

	2018	2019	2020	2021	2022	2023	Target
Green finance raised and facilitated (cumulative)(EUR bn) ^A	—————	19 bn	33.8 bn	65.7 bn	94.5 bn	114.6 bn	120 bn by 2025 220 bn by 2030
Socially Responsible Investments AuMs (EUR bn)				27.1 bn	53.2 bn	67.7 bn	→ 100 bn by 2025
Electricity used from renewable energy sources ^B	43% →	50%	57%	75%	88%	97%	→ 100% by 2025
Thermal coal-related power & mining phase-out (EUR bn)				7 bn	5.9 bn	4.9 bn	→ 0 by 2030
Emissions intensity of power generation portfolio ^{C,D}		0.21	0.17	0.19			→ 0.11 tCO ₂ e / MWh in 2030
Absolute emissions of energy (oil & gas) portfolio ^C		23.84	22.58	27.43			→ 16.98 mtCO ₂ e in 2030
Emissions intensity of aviation portfolio ^C		92.47	93.05	97.21			→ 61.71 grCO ₂ e / RPK in 2030
Emissions intensity of steel portfolio ^C		1.58	1.40	1.36			→ 1.07 tCO ₂ e / tS in 2030
Emissions intensity of auto manufacturing portfolio			149	138			→ 103 gCO ₂ /vkm in 2030
Emissions intensity of auto lending portfolio ^E					137		→ 75-89 gCO ₂ e/vkm in 2030
Women in senior executives positions (%) ^F	20% →	22.7%	23.7%	26.3%	29.3%	31.4%	→ 35% by 2025
Equal pay gap ^G	3% →	2%	2%	1%	1%	c. 0% ✓	→ ~0% by 2025
Financially empowered people (cumulative) ^H	—————	2.0 mn	4.9 mn	7.5 mn	11.8 mn ✓		10 mn by 2025
Financially included people (cumulative)						1.8 mn	5mn between 2023-2025
Investment to foster education, employability and entrepreneurship						105 mn	€400m between 2023-2026

————— Cumulative target → From... to... ✓ Commitment Achieved

In 2023, we also continued to:

- make progress on aligning key portfolios, including disclosure of emissions for UK Mortgages and Agriculture in Brazil.
- have 40-60% women members on the board of directors.
- be carbon neutral in our own operations^J in our core markets.
- keep our offices and buildings in our core markets free of single-use plastics in fulfilment of our public target.

A. Includes Grupo Santander’s contribution to green finance: project finance; syndicated loans; green bonds; capital finance; export finance, advisory services, structuring and other products, to help customers transition to a low-carbon economy. Preliminary data as final League Tables for 2023 were not yet available at date of editorial closing; data will be updated to year end in the next Climate Finance Report.

B. In countries where we can verify electricity from renewable sources at Banco Santander properties. It considers the 10 main countries in which we operate.

C. The figures displayed are the latest available. Given limited data availability from customers to assess financed emission, we plan to provide target progress update in the upcoming Climate Finance Report. Banco Santander’s internal calculation methodology has been used, based on the Partnership for Carbon Accounting Financials (PCAF). See more information in section 6.Supporting the green transition.

D. In 2021 Annual report and Climate Finance report, we assessed the 2019 financed emissions of our power generation portfolio, including guarantees and other types of off-balance exposure to our customers that do not entail current funding. Because, according to the PCAF standard, such exposure should not be calculated if its attribution factor is ‘outstanding’, we were over-attributed with our corporate customers’ emissions. Therefore, the 2019 baseline emissions intensity has been restated from 0.23 to 0.21. The target and climate ambition remains for this sector.

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

F. Senior executive positions make up 1% of the total workforce

G. Equal pay gap based on same jobs, levels and functions. The year-end figure is 0.44%. Having met the target set (two years ahead of schedule), the Group has set itself the objective of maintaining a pay equity ratio in line with best market practices.

H. Unbanked, underbanked and financially vulnerable individuals who receive tailored finance solutions and become more aware and resilient through financial education.

I. Additional 5 million of included people, considering unbanked, underbanked and financially vulnerable individuals who receive tailored finance solutions relates to access and finance.

J. Scope 1 and 2 emissions and scope 3 emissions from employee commuting and business travel.It considers wholly owned companies in Argentina, Brazil, Chile, Germany, Mexico, Poland, Portugal, Spain, the United Kingdom and the United States.

9.4 Double Materiality Assessment and sources

GRI 2-29, 3-1, 3-2

We're enhancing our methodology based on the Corporate Sustainability Reporting Directive (CSRD). We made two key updates in 2023:

- The list of topics considered for the assessment are the sustainability matters described in the European Sustainability Reporting Standards (ESRS 1- Appendix A).
- We used quantitative data (where possible) to assess impact, risk, and opportunity (IROs) more comprehensively. We also used stakeholder input to complement data-based analysis.

In line with double materiality assessment requirements, Santander assessed impact materiality and financial materiality separately using the best available tools and data.

- We used the UNEP FI³⁶ impact tool to assess impact materiality.
- To assess financially material risks, Santander leverages on internal risk exercises (such as the Klima tool –see section 10.2 'Climate and environmental risk management' in 'Risk, compliance & conduct management' chapter – and initial assessments on Nature) and external data sources such as SASB³⁷. Financial opportunities are informed by Santander's internal forecasts and supplemented with industry research.

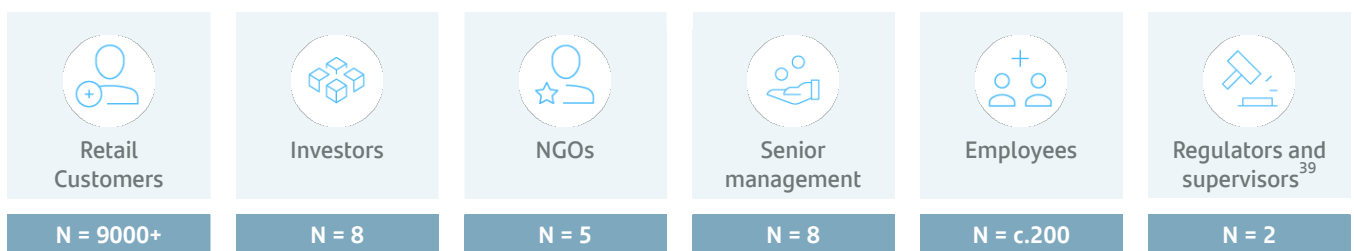
		Description
External	UNEP-FI Impact tool	Assess positive and negative impacts of Santander's business, including exposure to different sectors and products.
	SASB	Main source for the assessment of risks in Social and Governance sustainability-related matters.
	Additional market research	Consulted sources such as IEA, CDP, OECD, and WEF to complement the internal forecasts when evaluating sustainability business opportunity assessments. ³⁸
Internal	Klima tool	Santander's internal climate risk assessment tool, which analyses climate physical and transition risk per sector.
	Nature internal assessment	Leveraging on Encore, Santander has performed an assessment to identifying main key impacts and dependencies to nature sustainability related matters.
	Financial planning forecasts	Santander's internal revenue forecast per business sector.

We conducted the double materiality assessment at ESRS sub-topic level. We considered Santander's business model for each sub-topic, with results by business segment (including private individuals, consumers, corporates, payments, Wealth Management & Insurance) and own operations. The results have been carried out with a mid-term time horizon (~3 years).

Stakeholders input

As part of our DMA exercise, we consulted an extensive list of internal and external stakeholders. Their input was key to understand the relevance of the opportunities arising from sustainability matters and overlaid our quantitative exercise.

We gathered stakeholder feedback in different ways. This table shows each stakeholder group and sample size.



Engagement was mainly through surveys as the most straightforward way to quantify their feedback and embed it in the exercise. We also interviewed different teams to enlarge and contextualize the information received.

The survey demonstrates some consistency among all six stakeholder groups. Three topics consistently arise among their priorities: fighting climate change, protecting customer data, and ensuring transparency and inclusivity. However, there are also some differences:

- Retail customers prioritize social (privacy and security personal data) and governance matters (transparency and honesty).
- Employees and senior management have balanced priorities across E, S and G.
- Investors', regulators' and NGOs' top priorities are environmental matters.

³⁶ United Nations Environment - Finance Initiative. The context module was conducted in the Group's five largest geographies as allowed by the tool. The consumer banking and institutional banking modules included entire Group's perimeter.

³⁷ Sustainability Accounting Standards Board.

³⁸ IEA-International Energy Agency, CDP-Carbon Disclosure Project, OECD-Organisation for Economic Co-operation and Development, WEF-World Economic Forum.

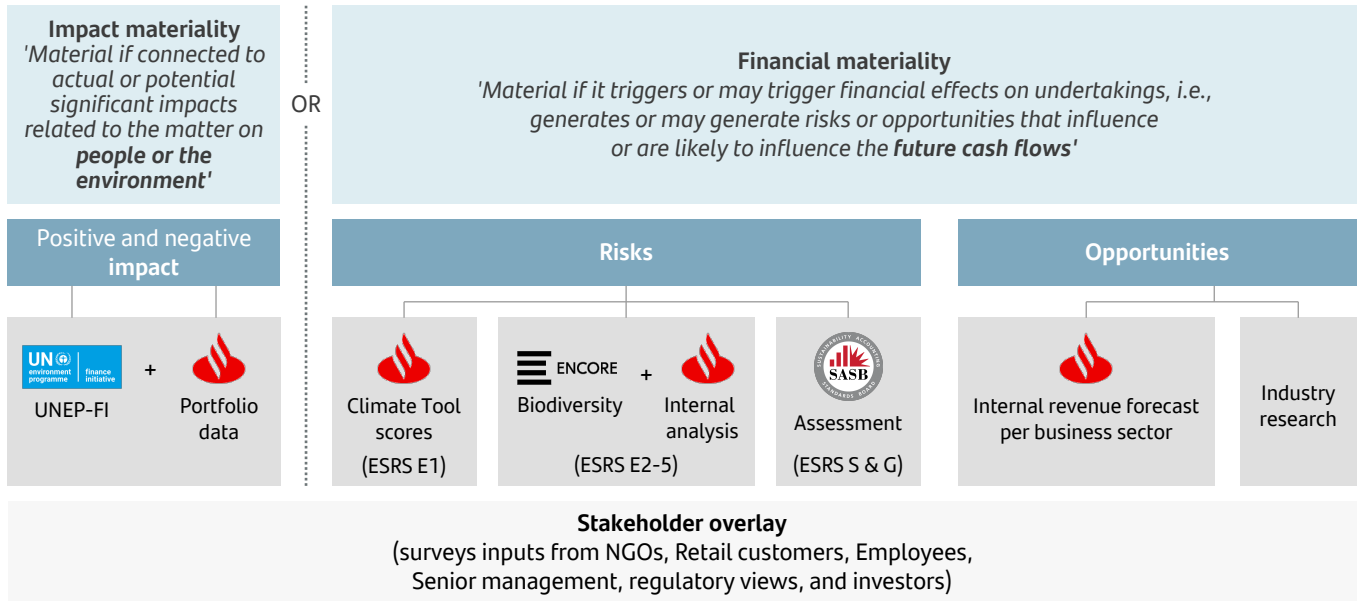
³⁹ We consulted the two main functions of the Group that monitor this activity.

As the final step, we scaled each of the matters based on quantitative data and stakeholders' input. Then, we set the thresholds for an item to be material.

We applied a five point scale of Critical, Significant, Important, Informative and Minimal.

For Santander, a sustainability matter is material if it is above the category of Important, regardless of whether it comes from the impact side or from the financial side (risks and opportunities).

Summary of the model



Changes in our methodology as we based on CSRD

One of the main changes to the CSRD is the list of sustainability matters. This renders Santander's previous exercise slightly incomparable to 2023's.

Nevertheless, we mapped and assessed the consistency of current materiality with the previous materiality assessment list of topics. The results, as shown below, reflect high consistency between both exercises considering the topics that were material in 2022 (crucial topics).

Material topics in 2022	ESRS topic 2023
Customer experience and satisfaction	Consumers and end-users: <ul style="list-style-type: none"> Material topic. Strong mapping. Customer experience and satisfaction included having a value proposition and service tailored to customer needs.
Financial health	Consumers and end-users: <ul style="list-style-type: none"> Material topic Strong mapping. We considered all our efforts to foster financial health as a key strategy to promote social inclusion of consumers and end-users.
Green finance and SRI	Climate change: <ul style="list-style-type: none"> Material topic. Strong mapping. Green finance and socially responsible investment referred specifically to business opportunities arising from climate change.
Environmental and social risk management	<ul style="list-style-type: none"> No mapping. The 2022 topic included all the risks arising from sustainability matters. Our approach in 2023 was to consider this topic as represented in the risk dimension across all sustainability matters.
Culture, conduct and ethical behaviour	Business conduct <ul style="list-style-type: none"> Material topic Strong mapping. We consider culture and doing everything simple, personal and fair as one of the key levers of business conduct.

9.5 EU Taxonomy

Information about Article 8 of the EU Taxonomy Regulation

In 2020, the European Union adopted the Taxonomy Regulation establishing a list of activities that can qualify as environmentally sustainable⁴⁰ and the obligation for companies subject to the Non-Financial Reporting Directive (NFRD)⁴¹ to disclose how their operations align with the EU Taxonomy.

In response to the disclosure requirement, in 2021 and 2022 Santander published the eligibility ratio. This ratio shows the proportion of activities on our balance sheet that are included in the list of EU Taxonomy activities, but without determining if they are aligned.

For the first time in 2023, financial institutions are required to publish the green asset ratio (GAR) for two climate objectives and the eligibility ratio of the four remaining objectives. To be aligned to the European taxonomy, activities must meet the specific taxonomy criteria and ensure that it causes no significant harm to any of the other environmental objectives (DNSH) and meets minimum social safeguards (MSS).

As required under the Disclosures Delegated Act, our GAR represents the exposures aligned with the EU Taxonomy in the numerator divided by total on-balance sheet volumes⁴², and amounts for 2.6 (CapEx-based) and 2.4 (turnover-based). The exposures aligned to the EU Taxonomy and included in the numerator are:

- Aligned exposures in the household loan portfolio: residential property loans (mortgages) and vehicle loans.⁴³
- Aligned exposures to financial and non-financial corporations subject to NFRD based on the alignment ratio publicly disclosed by the counterparties (both CapEx and turnover-based alignment).

As for the eligible volumes, our eligibility ratio for the two climate-related objectives is 36% (both CapEx and turnover-based), considering eligible vehicles, mortgages and building renovation portfolios, as well as information disclosed by financial and non-financial counterparties. As for the additional eligibility ratio corresponding to the volumes of the four remaining objectives and the additional activities of the two climate-related objectives recently included in the EU Taxonomy, the ratio is 0,7% (both CapEx and turnover-based)⁴⁴. In this ratio the eligible volumes corresponding to counterparties have been estimated based on the Statistical Classification of Economic Activities in the European Community (NACE), as the counterparties have not made their ratio publicly available yet to be able to consider them in our calculation.

On December 21 the European Commission disclosed additional guidelines on the interpretation and implementation of the EU Taxonomy disclosure obligations regarding aligned and eligible activities by financial undertakings. In order to comply with the criteria established in these guidelines, a best-effort analysis has been performed to incorporate these criteria into the information disclosed.

Santander's GAR is 2.6 (CapEx-based) & 2.4 (turnover-based)⁴⁵. Santander's eligibility is 36%.

The difference between the eligible volumes and aligned volumes (i.e., eligibility ratio vs GAR) is mainly driven by three reasons:

- European Taxonomy criteria is strict. Many activities which do not meet its thresholds, do contribute to the transition of a greener economy. In fact, the Platform for Sustainable Finance recently released a report showing that the average CAPEX alignment ratio from corporates disclosing the information was 18%.
- The numerator and denominator are not symmetric. Santander has 18% of the adjusted balance sheet exposure (GAR denominator) to non-financial corporations not subject to NFRD (mainly SMEs and companies from outside EU), which cannot be included as eligible or aligned financing, therefore environmentally sustainable.
- There are limitations to the available data and documentation. For example, according to the Platform report, only ~1,400 corporates subject to NFRD are disclosing alignment information (whereas the universe is ~11,500). Also, there is still a lack of robust evidence to verify alignment in specific purpose lending, especially when it comes to validate DNSH and MSS.

⁴⁰ These are: 1) climate change mitigation 2) climate change adaptation, 3) sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control and protection and restoration of biodiversity and ecosystems.

⁴¹ NFRD applies to large, listed companies, banks, or insurance companies that meet certain criteria, such as having a balance sheet total in excess of EUR 20 million, a turnover in excess of EUR 40 million, or an average number of employees in excess of 500 during the fiscal year.

⁴² Not including exposure to sovereigns, central banks, and the trading portfolio.

⁴³ Following the technical screening criteria of the EU Taxonomy Regulation. As for compliance with DNSH criteria, we followed EU Taxonomy requirements based on prudence and efficient assessment. We ran MSS criteria validation according to the recommendations of the Platform on Sustainable Finance and respective regulation.

⁴⁴ Including only exposures to non-financial corporates subject to NFRD (totalling 26bn) and excluding eligibility volumes already reported for the same NACE codes under the eligibility ratio for the climate-related objectives (objectives 1 and 2).

⁴⁵ Calculation for the two climate-related objectives. For the flow of volumes, the Green Asset Ratio is 1.9 (CapEx-based) and 1.6 (turnover-based).

Based on a voluntary disclosure, we complement the GAR with an additional ratio to overcome some of these limitations:

→ **Voluntary GAR (European & symmetric): 6.1%**

- The numerator of this ratio remains the same as in the previous ratio, purely exposures to the EU Taxonomy aligned in Europe.
- In the denominator, we only keep portfolios where we can tag exposures as environmentally sustainable: NFRD European financial and non-financial corporations, households, and local governments. We excluded (non-exhaustive list): Non-NFRD companies (since they do not have reporting obligations), cash & interbank loans, derivatives, goodwill, etc.

In the following pages there is the complete disclosure, 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'](#).

0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

		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)

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)			
GAR - Covered assets in both numerator and denominator		Total [gross] carrying amount	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	Of which Use of Proceeds	Of which transitional	Of which enabling			
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	
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	
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	
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	
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	
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		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	0	122	0	0	0	0
29	Housing financing	75	75	0	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	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	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	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	1,645	
49	Assets not covered for GAR calculation	545,242															
50	Central governments and Supranational issuers	137,606															
51	Central banks exposure	230,835															

		2023														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)					
Million EUR		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 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		
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)

Million EUR		2023															
		Climate Change Mitigation (CCM)						Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)					
		Total [gross] carrying amount	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)				
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	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	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	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	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	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	0	0	0	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	
29	Housing financing	75	75	0	0	0	0	0	0	0	0	75	0	0	0	0	

Million EUR		2023														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)					
		Total [gross] carrying amount	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		Of which Use of Proceeds	Of which transitional	Of which enabling	
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														
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

		2023															
		Climate Change Mitigation (CCM)			Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)								
Million EUR		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 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	Of which Use of Proceeds	Of which transitional	Of which enabling
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)		2023									
		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 (CCA) Mn EUR	Mn EUR		
1	A Agriculture, forestry and fishing	6	5		0	0		6	5		
2	B910 - Support activities for petroleum and natural gas extraction	151	77		0	0		151	77		
3	Other B Mining and quarrying	37	14		0	0		37	14		
4	C1086 - Manufacture of homogenised food preparations and dietetic food	69	0		0	0		69	0		
5	C1920 - Manufacture of refined petroleum products	121	90		0	0		121	90		
6	C2410 - Manufacture of basic iron and steel and of ferro-alloys	120	51		0	0		120	51		
7	C2442 - Aluminium production	62	39		0	0		62	39		
8	C2732 - Manufacture of other electronic and electric wires and cables	99	57		0	0		99	57		
9	C2733 - Manufacture of wiring devices	55	40		0	0		55	40		
10	C2910 - Manufacture of motor vehicles	516	190		0	0		516	190		
11	C3011 - Building of ships and floating structures	74	7		0	0		74	7		
12	C3020 - Manufacture of railway locomotives and rolling stock	143	76		0	0		143	76		
13	Other C Manufacturing	482	84		0	0		482	84		
14	D3511 - Production of electricity	1,594	1,343		0	0		1,594	1,343		
15	D3512 - Transmission of electricity	145	138		0	0		145	138		
16	D3513 - Distribution of electricity	512	399		0	0		512	399		
17	D3514 - Trade of electricity	315	295		0	0		315	295		
18	Other D Electricity, gas, steam and air conditioning supply	74	66		1	1		75	67		
19	E Water supply	89	1		0	0		89	1		
20	F4110 - Development of building projects	192	10		0	0		192	10		

Breakdown by sector - NACE 4 digits level (code and label)		2023											
		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)		
21	F4120 - Construction of residential and non-residential buildings	84	18			0	0			84	18		
22	F4211 - Construction of roads and motorways	187	3			1	0			187	3		
23	F4222 - Construction of utility projects for electricity and telecommunications	328	3			0	0			328	3		
24	F4299 - Construction of other civil engineering projects n.e.c.	156	5			0	0			156	5		
25	F4312 - Site preparation	130	5			0	0			130	5		
26	F4321 - Electrical installation	94	6			0	0			94	6		
27	Other F Construction	105	5			0	0			105	5		
28	G4711 - Retail sale in non-specialised stores with food, beverages or tobacco predominating	92	5			0	0			92	5		
29	G4778 - Other retail sale of new goods in specialised stores	94	0			0	0			94	0		
30	Other G Wholesale and retail trade	349	62			1	1			350	62		
31	H4910 - Passenger rail transport, interurban	57	7			0	0			57	7		
32	H4950 - Transport via pipeline	92	84			0	0			92	84		
33	H5221 - Service activities incidental to land transportation	425	2			0	0			425	2		
34	Other H Transport and storage	71	4			0	0			71	4		
35	I5510 - Hotels and similar accommodation	321	0			0	0			321	0		
36	Other I Accommodation and food service activities	29	0			0	0			29	0		
37	J6110 - Wired telecommunications activities	91	3			0	0			91	3		
38	J6120 - Wireless telecommunications activities	228	5			27	1			255	6		
39	J6399 - Other information service activities n.e.c.	504	0			0	0			504	0		
40	Other J Information and communication	110	2			18	4			128	6		
41	L6810 - Buying and selling of own real estate	68	8			0	0			68	8		

Breakdown by sector - NACE 4 digits level (code and label)		2023											
		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)		
42	L6820 - Renting and operating of own or leased real estate	264	1			0	0			264	1		
43	L6831 - Real estate agencies	205	26			0	0			205	26		
44	Other L Real estate activities	26	0			0	0			26	0		
45	M6920 - Accounting, bookkeeping and auditing activities; tax consultancy	115	99			0	0			115	99		
46	M7010 - Activities of head offices	534	251			0	0			534	251		
47	M7022 - Business and other management consultancy activities	77	7			0	0			77	7		
48	M7490 - Other professional, scientific and technical activities n.e.c.	134	45			0	0			134	45		
49	Other M Professional, scientific and technical activities	46	12			0	0			46	12		
50	N7711 - Renting and leasing of cars and light motor vehicles	130	48			0	0			130	48		
51	N7712 - Renting and leasing of trucks	60	5			0	0			60	5		
52	N8299 - Other business support service activities n.e.c.	159	0			0	0			159	0		
53	Other N Administrative and support service activities	126	23			0	0			126	23		
54	O Public administration and defence, compulsory social security	0	0			0	0			0	0		
55	P Education	14	0			0	0			14	0		
56	Q Human health services and social work activities	18	2			0	0			18	2		
57	R Arts, entertainment and recreation	2	0			0	0			2	0		
58	S Other services	519	63			7	0			525	63		

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)		2023									
		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		
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)	
1	A Agriculture, forestry and fishing	5	4		0	0			5	4	
2	B910 - Support activities for petroleum and natural gas extraction	101	15		0	0			101	15	
3	Other B Mining and quarrying	20	9		0	0			20	9	
4	C2410 - Manufacture of basic iron and steel and of ferro-alloys	132	50		0	0			132	50	
5	C2420 - Manufacture of tubes, pipes, hollow profiles and related fittings, of steel	52	4		0	0			52	4	
6	C2442 - Aluminium production	84	45		0	0			84	45	
7	C2732 - Manufacture of other electronic and electric wires and cables	56	16		0	0			56	16	
8	C2751 - Manufacture of electric domestic appliances	48	0		0	0			48	0	
9	C2910 - Manufacture of motor vehicles	484	50		0	0			484	50	
10	C3011 - Building of ships and floating structures	81	10		0	0			81	10	
11	C3020 - Manufacture of railway locomotives and rolling stock	143	83		0	0			143	83	
12	C3313 - Repair of electronic and optical equipment	55	0		0	0			55	0	
13	Other C Manufacturing	243	40		0	0			243	40	
14	D3511 - Production of electricity	843	537		0	0			843	537	
15	D3512 - Transmission of electricity	100	75		0	0			100	75	
16	D3513 - Distribution of electricity	338	174		0	0			338	174	
17	D3514 - Trade of electricity	137	108		0	0			137	108	
18	Other D Electricity, gas, steam and air conditioning supply	30	8		0	0			30	8	
19	E3600 - Water collection, treatment and supply	53	1		0	0			53	1	
20	Other E Water supply	39	1		0	0			39	1	

Breakdown by sector - NACE 4 digits level (code and label)		2023											
		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)	
21	F4110 - Development of building projects	214	14			0	0			214	14		
22	F4120 - Construction of residential and non-residential buildings	81	12			0	0			81	12		
23	F4211 - Construction of roads and motorways	192	3			1	0			193	4		
24	F4222 - Construction of utility projects for electricity and telecommunications	314	1			0	0			315	1		
25	F4299 - Construction of other civil engineering projects n.e.c.	164	18			0	0			164	18		
26	F4312 - Site preparation	122	0			0	0			122	0		
27	F4321 - Electrical installation	109	8			0	0			109	8		
28	Other F Construction	105	15			0	0			105	15		
29	G Wholesale and retail trade	168	15			0	0			169	15		
30	H5221 - Service activities incidental to land transportation	421	1			0	0			421	1		
31	Other H Transport and storage	177	36			0	0			177	36		
32	I5510 - Hotels and similar accommodation	250	0			0	0			250	0		
33	Other I Accommodation and food service activities	26	0			0	0			26	0		
34	J6110 - Wired telecommunications activities	59	4			2	0			61	4		
35	J6120 - Wireless telecommunications activities	365	30			49	1			414	32		
36	J6399 - Other information service activities n.e.c.	504	0			0	0			504	0		
37	Other J Information and communication	97	1			15	5			112	7		
38	L6810 - Buying and selling of own real estate	74	9			0	0			74	9		
39	L6820 - Renting and operating of own or leased real estate	267	1			0	0			267	1		
40	L6831 - Real estate agencies	234	18			0	0			234	18		
41	Other L Real estate activities	26	2			0	0			26	2		
42	M6920 - Accounting, bookkeeping and auditing activities; tax consultancy	66	42			8	1			74	43		
43	M7010 - Activities of head offices	488	158			0	0			488	158		

Breakdown by sector - NACE 4 digits level (code and label)		2023											
		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)		
44	M7022 - Business and other management consultancy activities	95	8			1	0			96	8		
45	M7112 - Engineering activities and related technical consultancy	46	16			0	0			46	16		
46	M7490 - Other professional, scientific and technical activities n.e.c.	99	35			0	0			100	35		
47	Other M Professional, scientific and technical activities	3	0			0	0			3	0		
48	N7711 - Renting and leasing of cars and light motor vehicles	127	10			0	0			127	10		
49	N7712 - Renting and leasing of trucks	58	0			0	0			58	0		
50	N8010 - Private security activities	49	0			0	0			49	0		
51	N8299 - Other business support service activities n.e.c.	157	0			0	0			157	0		
52	Other N Administrative and support service activities	92	11			1	0			93	11		
53	O Public administration and defence, compulsory social security	0	0			0	0			0	0		
54	P Education	14	0			0	0			14	0		
55	Q Human health services and social work activities	17	1			0	0			17	1		
56	R Arts, entertainment and recreation	0	0			0	0			0	0		
57	S Other services	534	21			24	1			558	21		

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)

		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)				
% (compared to total covered assets in the denominator)		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	70.4	5.1	4.4	1.1	0.2	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	1.2	0	0	0	0	26.8	1.8	0	0	1.2	1.5
3	Credit institutions	27.7	0	0	0	0	0	0	0	0	27.7	0	0	0	0	1.2
4	Loans and advances	25.8	0	0	0	0	0	0	0	0	25.8	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	23.1	9	0	0.2	6.2	0	0	0	0	23.1	9	0	0.2	6.2	0.3
8	of which investment firms	22	17.6	0	0	15.4	0	0	0	0	22	17.6	0	0	15.4	0.1
9	Loans and advances	9.5	3.4	0	0	0.5	0	0	0	0	9.5	3.4	0	0	0.5	0.1
10	Debt securities, including UoP	96	96	0	0	96	0	0	0	0	96	96	0	0	96	0
11	Equity instruments	0	0		0	0	0	0		0	0		0	0	0	0
12	of which management companies	72	7.7	0	0.9	0.5	0	0	0	0	72	7.7	0	0.9	0.5	0
13	Loans and advances	72	7.7	0	0.9	0.5	0	0	0	0	72	7.7	0	0.9	0.5	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	16.8	0	0	0	0	0	0	0	0	16.8	0	0	0	0	0.1
17	Loans and advances	16.8	0	0	0	0	0	0	0	0	16.8	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	42.1	14.6	0	1.5	5	0.2	0	0	0	42.3	14.7	0	1.5	5	1.4
21	Loans and advances	42.6	13.6	0	1.6	4.4	0.2	0	0	0	42.8	13.6	0	1.6	4.4	1.3
22	Debt securities, including UoP	34.2	30.4	0	0	14.6	0.4	0	0	0	34.6	30.4	0	0	14.6	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)					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)					
% (compared to total covered assets in the denominator)		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					
28	Local governments financing	100	0	0	0	0	0	0	0	100	0	0	0	0	0		
29	Housing financing	100	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	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	0.3		
32	Total GAR assets	36.2	2.6	2.3	0.5	0.1	0	0	0	36.2	2.6	2.3	0.5	0.1	70.3		

3. GAR KPI stock (Turnover)

		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 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	70.2	4.7	4.4	1	0.1	0.1	0	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	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	0	30.7	0	0	0	0	1.2
4	Loans and advances	29	0	0	0	0	0.1	0	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	0	44.6	0	0	0	0	0.1
6	Equity instruments	0	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	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	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	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	0	49	49	0	0	49	0
11	Equity instruments	0	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	0	70.2	12	0	0	0	0
13	Loans and advances	70.2	12	0	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	0
15	Equity instruments	0	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	0	33.5	0	0	0	0	0.1
17	Loans and advances	16.7	0	0	0	0	16.8	0	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	0
19	Equity instruments	0	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	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	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	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	0
24	Households	73.7	4.8	4.8	1.1	0	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	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	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 transitional	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	
29	Housing financing	100	0	0	0	0	0	0	0	0	100	0	0	0	0	
30	Other local government financing	100	0	0	0	0	0	0	0	0	100	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	0.3	
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)

		2023														
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)				Proportion of total new 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 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	59.5	6.8	4.7	3.2	1	0	0	0	0	59.5	6.8	4.7	3.2	1	14.5
2	Financial undertakings	29.8	2.7	0	0	2.3	0	0	0	0	29.8	2.7	0	0	2.3	1.7
3	Credit institutions	28.7	0	0	0	0	0	0	0	0	28.7	0	0	0	0	1.5
4	Loans and advances	28.6	0	0	0	0	0	0	0	0	28.6	0	0	0	0	1.5
5	Debt securities, including UoP	44	0	0	0	0	0	0	0	0	44	0	0	0	0	0
6	Equity instruments	0	0		0	0	0		0	0	0		0	0	0	0
7	Other financial corporations	39.8	26.7	0	0.3	22.7	0	0	0	0	39.8	26.7	0	0.3	22.7	0.2
8	of which investment firms	55.7	54.4	0	0	54.4	0	0	0	0	55.7	54.4	0	0	54.4	0.1
9	Loans and advances	40.9	14	0	0	14	0	0	0	0	40.9	14	0	0	14	0
10	Debt securities, including UoP	96	96	0	0	96	0	0	0	0	96	96	0	0	96	0
11	Equity instruments	0	0		0	0	0		0	0	0		0	0	0	0
12	of which management companies	7.8	0	0	0	0	0	0	0	0	7.8	0	0	0	0	0
13	Loans and advances	7.8	0	0	0	0	0	0	0	0	7.8	0	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	0.5	0	0	0	0	0	0	0	0	0.5	0	0	0	0	0
17	Loans and advances	0.5	0	0	0	0	0	0	0	0	0.5	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
19	Equity instruments	0	0		0	0	0		0	0	0		0	0	0	0
20	Non-financial undertakings	42.6	16.9	0	1.1	6.6	0.1	0	0	0	42.8	16.9	0	1.1	6.6	1.5
21	Loans and advances	43.7	15	0	1.3	5.5	0.2	0	0	0	43.9	15.1	0	1.3	5.5	1.3
22	Debt securities, including UoP	34.5	31.1	0	0	14.9	0	0	0	0	34.5	31.1	0	0	14.9	0.2
23	Equity instruments	0	0		0	0	0		0	0	0		0	0	0	0
24	Households	66.1	6	6	3.9	0	0	0	0	0	66.1	6	6	3.9	0	11.4
25	of which loans collateralised by residential immovable property	98.9	6.1	6.1	0	0	0	0	0	0	98.9	6.1	6.1	0	0	3.8
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	12	12	12	0					100	12	12	12	0	3.7

2023

		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					Proportion of total new 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)					
% (compared to total covered assets in the denominator)		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					
28	Local governments financing	100	0	0	0	0	0	0	0	100	0	0	0	0	0		
29	Housing financing	100	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	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		
32	Total GAR assets	17.1	1.9	1.3	0.9	0.3	0	0	0	17.1	1.9	1.3	0.9	0.3	50.6		

4. GAR KPI flow (Turnover)

		2023															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					Proportion of total new 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 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	58.6	5.7	4.7	3.2	0.5	0.1	0	0	0	58.7	5.7	4.7	3.2	0.5	14.5	
2	Financial undertakings	30.1	1.7	0	0	1.4	0.1	0	0	0	30.2	1.7	0	0	1.4	1.7	
3	Credit institutions	30.3	0	0	0	0	0	0	0	0	30.3	0	0	0	0	1.5	
4	Loans and advances	30.3	0	0	0	0	0	0	0	0	30.3	0	0	0	0	1.5	
5	Debt securities, including UoP	44	0	0	0	0	0	0	0	0	44	0	0	0	0	0	
6	Equity instruments	0	0		0	0	0	0		0	0	0		0	0	0	
7	Other financial corporations	27.8	16.7	0	0.1	13.6	1.3	0	0	0	29.1	16.7	0	0.1	13.6	0.2	
8	of which investment firms	29.2	27.6	0	0	27.6	0	0	0	0	29.2	27.6	0	0	27.6	0.1	
9	Loans and advances	37.8	3.8	0	0	3.8	0	0	0	0	37.8	3.8	0	0	3.8	0	
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	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	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	0.5	0	0	0	0	43.8	0	0	0	44.3	0	0	0	0	0	
17	Loans and advances	0.5	0	0	0	0	43.8	0	0	0	44.3	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	
19	Equity instruments	0	0		0	0	0	0		0	0	0		0	0	0	
20	Non-financial undertakings	33.8	7.6	0	0.8	2.9	0.4	0	0	0	34.2	7.6	0	0.8	2.9	1.5	
21	Loans and advances	36.3	6.8	0	0.9	2.9	0.4	0	0	0	36.7	6.8	0	0.9	3	1.3	
22	Debt securities, including UoP	15.4	13.6	0	0.2	2.5	0	0	0	0	15.4	13.6	0	0.2	2.5	0.2	
23	Equity instruments	0	0		0	0	0	0		0	0	0		0	0	0	
24	Households	66.1	6	6	3.9	0	0	0	0	0	66.1	6	6	3.9	0	11.4	
25	of which loans collateralised by residential immovable property	98.9	6.1	6.1	0	0	0	0	0	0	98.9	6.1	6.1	0	0	3.8	
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	12	12	12	0					100	12	12	12	0	3.7	

		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 transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling		Proportion of total new assets covered		
28	Local governments financing	100	0	0	0	0	0	0	0	100	0	0	0	0		
29	Housing financing	100	0	0	0	0	0	0	0	100	0	0	0	0		
30	Other local government financing	100	0	0	0	0	0	0	0	100	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		
32	Total GAR assets	16.9	1.6	1.3	0.9	0.1	0	0	0	16.9	1.6	1.3	0.9	0.1	50.6	

5. KPI off-balance sheet exposures (Capex stock)

		2023													
		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 transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling			
1	Financial guarantees (FinGuar KPI)	4.1	1.8	0	0	1	0.2	0	0	0	4.3	1.8	0	0	1
2	Assets under management (AuM KPI)	3.6	1.1	0	0.1	0.5	0	0	0	0	3.6	1.1	0	0.1	0.5

5. KPI off-balance sheet exposures (Turnover stock)

		2023													
		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 transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling			
1	Financial guarantees (FinGuar KPI)	3.2	0.9	0	0	0.6	0	0	0	0	3.2	0.9	0	0	0.6
2	Assets under management (AuM KPI)	3.1	0.6	0	0	0.3	0.3	0	0	0	3.4	0.6	0	0	0.3

5. KPI off-balance sheet exposures (Capex flow)

		2023													
		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 transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling			
1	Financial guarantees (FinGuar KPI)	5.9	2	0	0	1.2	0.4	0	0	0	6.3	2	0	0	1.2
2	Assets under management (AuM KPI)	7.6	2.2	0	0	1.1	0	0	0	0	7.6	2.2	0	0	1.1

5. KPI off-balance sheet exposures (Turnover flow)

		2023													
		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 transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling			
1	Financial guarantees (FinGuar KPI)	4	0.5	0	0	0.4	0	0	0	0	4	0.5	0	0	0.4
2	Assets under management (AuM KPI)	6.5	2.3	0	0	1.7	0.2	0	0	0	6.7	2.3	0	0	1.7

6. Nuclear and fossil gas related activities

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.	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
Nuclear energy 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

6. Nuclear and fossil gas related activities: Taxonomy-aligned economic activities (denominator) - Capex

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
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	16	0	16	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	123	0	123	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
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
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
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	33,284	2.6	33,277	2.6	7	0
8 Total applicable KPI	33,422	2.6	33,416	2.6	7	0

6. Nuclear and fossil gas related activities: Taxonomy-aligned economic activities (denominator) - Turnover

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
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
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	76	0	76	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
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	1	0	1	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
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	31,074	2.4	31,065	2.4	9	0
8 Total applicable KPI	31,151	2.4	31,142	2.4	9	0

Note 1: The denominator of the applicable KPI is 1,288,300 millions of euro

Note 1: The denominator of the applicable KPI is 1,288,300 millions of euro

**6. Nuclear and fossil gas related activities:
 Taxonomy-aligned economic activities (numerator) - Capex**

	CCM+CCA		CCM		CCA	
	Amount	%	Amount	%	Amount	%
Nuclear energy related activities						
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
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	16	0	16	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	123	0.4	123	0.4	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
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
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
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	33,284	99.6	33,277	99.6	7	0
8 Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	33,422	100	33,416	100	7	0

**6. Nuclear and fossil gas related activities:
 Taxonomy-aligned economic activities (numerator) - Turnover**

	CCM+CCA		CCM		CCA	
	Amount	%	Amount	%	Amount	%
Nuclear energy related activities						
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
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
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	76	0.2	76	0.2	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
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	1	0	1	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
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	31,074	99.8	31,065	99.7	9	0
8 Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	31,151	100	31,142	100	9	0

**6. Nuclear and fossil gas related activities:
 Taxonomy-eligible but not taxonomy-aligned economic activities - Capex**

	CCM+CCA		CCM		CCA	
	Amount	%	Amount	%	Amount	%
Nuclear energy related activities						
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
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
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	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	84	0	84	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	13	0	13	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
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	432,433	33.6	432,380	33.6	54	0
8 Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI	432,530	33.6	432,477	33.6	54	0

**6. Nuclear and fossil gas related activities:
 Taxonomy-eligible but not taxonomy-aligned economic activities - Turnover**

	CCM+CCA		CCM		CCA	
	Amount	%	Amount	%	Amount	%
Nuclear energy related activities						
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
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
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	84	0	84	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	653	0.1	653	0.1	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	9	0	9	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
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	432,780	33.6	432,313	33.6	468	0
8 Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI	433,527	33.7	433,059	33.6	468	0

6. Nuclear and fossil gas related activities: Taxonomy non-eligible economic activities - Capex

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	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
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
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
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
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
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	822,367	63.8
8	Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI	822,367	63.8

6. Nuclear and fossil gas related activities: Taxonomy non-eligible economic activities - Turnover

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
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
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
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
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
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
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	823,644	63.9
8	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	823,644	63.9

9.6 Sustainable finance and investment classification system (SFICS)

GRI FS8

Sustainable finance is key to meeting our ambition to be net zero carbon emissions by 2050. We continue to build on our sustainable finance guidelines, which we first published in February 2022. In 2023, we updated them based on developments in regulation and market practice. The latest version 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 Principles, LMA 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 net zero 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
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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.

9.7 Scope of information

The following table outlines the scope of information in the different areas of information of this chapter.

Where specific limitations exist for one or more indicators, when these are significant, they are reflected in each corresponding section and in the GRI (Global Reporting Initiative) Content Index.

Topics	Scope of information
Business conduct	
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.
Socio-environmental risk (Equator Principles)	Full Group scope (Corporate & Investment Banking business).
Responsible procurement	Main companies of the Group in: Argentina, Brazil, Chile, Germany, Mexico, Portugal, Spain, United Kingdom, United States and United States.
Acting responsibly towards customers	
NPS and customer satisfaction	Main companies of the Group in: Argentina, Brazil, Chile, Spain, United States, Mexico, Poland, Portugal and United Kingdom, Uruguay.
Customer complaints	All Group entities (>1% of reported claims volume in 2023)
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.
Acting responsibly towards our employees	
Employees	Full Group scope
Supporting communities	
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, Poland, Portugal, United Kingdom, Uruguay, and the rest of the countries in which DCB operates, as well as Foundations associated to the Group (e.g. Fund. Banco Santander in Spain, Santander Foundation in the UK, etc).
Supporting the green transition	
Green finance	Corporate & Investment Banking.
Portfolio alignment	Corporate & Investment Banking for thermal coal, power generation, energy (oil & gas), aviation, steel and auto manufacturing portfolios. DCB for the auto loan portfolio.
Agreements with multilateral development banks	Full Group scope. Companies that have signed financing operations (loans, guarantees, risk, sharings or securitisations) with multilateral development banks (MDBs).
Environmental footprint	Wholly owned companies in: Argentina, Brazil, Chile, Germany, Mexico, Poland, Portugal, Spain, the United Kingdom and the United States.
Responsible investment	
SRI AuMs	Wealth Management & Insurance: SAM and Private Banking
Other topics	
Corporate governance	Banco Santander, S.A.
Customers	Full Group scope
Tax contribution	Full Group scope
Litigation and penalties	Full Group scope
Communications with shareholders and investors	Banco Santander, S.A.

9.8 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](#)'.

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 8.1 Tax contribution of this chapter.	It reflects how the Bank complies with its commitment to tax transparency in the jurisdictions where it operates. Additionally, the "Taxes paid by the Group" metric is a requirement of the GRI standard, GRI 201-1: Direct economic value generated and distributed. For more information see: https://www.globalreporting.org/
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 8.1 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 8.1 Tax contribution of this chapter.	

Data related to the country by country report

Revenue from third-party sales	Revenue from intra-group transactions with other tax jurisdictions includes interest income; interest expenses; commission income and expenses for transactions between Santander companies whose residence is in different tax jurisdictions; and intra-group income, excluded from total income in the consolidated income statement because counterparty expense is recorded under another item of the consolidated income statement not included in total income. Data available on the section 8.8 Country by country report of this chapter.	Metrics required by GRI 207-4: Country-by-Country Report. This standard requires the presentation of a country-by-country report with financial, economic and tax information on each jurisdiction in which Grupo Santander operates. These indicators are complemented by the other indicators (not considered alternative performance measures) available in Appendix VI. Annual banking report of the Group's annual accounts (see page 820 of the annual accounts). For more information see: https://www.globalreporting.org/
Revenue from intra-group transactions with other tax jurisdictions		
Tangible assets other than cash and cash equivalents	Composed of tangible assets, non-current assets held for sale and inventories. See data in section 8.8 Country by country report of this chapter.	
Corporate income tax accrued on profit/loss	The accrued corporate income tax is a current-year expense and does not include deferred taxes. See data in section 8.8 Country by country report 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 SCFS panel and reported in the League Tables of Dealogic, Inframation News, TXF and Mergermarket since the beginning of the year. See data in section 2.6 Supporting a green transition and 8.6 Green transition (table 36. Green finance) in this chapter.	It reflects Santander's commitment 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 IV. 2023 highlights 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 IV. 2023 highlights 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 IV. 2023 highlights and 8.3 Financial inclusion (table 9. Microfinance) of this chapter.	It reflects Santander's commitment and contribution to help address financial inclusion challenges in the markets where we operate.

Data related to responsible investment

Socially responsible investment assets under management (SRI AUM)	Value corresponding to total volume of assets under management registered as article 8 - promoting ESG characteristics - and 9 - with explicit sustainability objectives - of the SFDR regulation (EU Reg. 2019/2088) except for illiquid investments in Private Banking which are reported in terms of committed capital. Includes assets managed by Santander Asset Management (SAM) in the EU and with equivalent criteria in geographies where SFDR does not apply (mainly Latam) and Third Party Funds. See data in section 3. Responsible investment of this chapter.	It reflects Santander's commitment and contribution to promote responsible investment. It also allows our managers to have a more complete vision of the assets in which to invest and identify competitive advantages and prevent potential risks.
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Data related to employees training

Cost per hour	Sum of total training expenditure divided by total hours of training completed by active employees in the period. See data in section 8.5 Employees (table 30. Training) of this chapter.	It reflects the bank's commitment to training and lifelong learning for its employees.
Investment per employee	Total expenditure on training divided by the average number of employees per year. See data in section 8.5 Employees (table 30. Training) of this chapter.	
Total investment in training	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 See data in section 8.5 Employees (table 30. Training) of this chapter.	

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 for the Global Reporting Initiative (GRI), S&P Dow Jones Sustainability Index and other standards and indices.

Support (investment) for education, employment and entrepreneurship	Total amount invested to support education, employment and entrepreneurship. See data in section 6. Supporting communities and 8.4 Community investment (table 10. Community investment) of this chapter.	It reflects Santander's commitment and contribution to promoting (beyond our business operations) the progress and inclusive and sustainable growth of the communities where we are present.
Support (investment) for other local initiatives	Total amount invested through local initiatives to promote childhood education, social welfare (especially among vulnerable groups), art and culture. See data in section 6. Supporting communities and 8.4 Community investment (table 10. Community investment) of this chapter.	
Total community investment	Sum of investment in education, employability and entrepreneurship, plus investment in other community support programmes. See data in section 6. Supporting communities and 8.4 Community investment (table 10. Community investment) of this chapter.	

Data related to suppliers

Payments to suppliers	Total amount of payments made to suppliers outside the Group (excludes payments made by the Group in Poland). See data in section 7.5 Acting responsibly towards suppliers of this chapter.	It reflects the Group's economic contribution through the purchase of products and services in its operations.
% Turnover of locally contracted suppliers (M EUR)	% of the Group's total turnover made to suppliers based in the same geography where the services are purchased (excludes payments made by the Group in Poland). Turnover from locally contracted suppliers is divided by total turnover to suppliers. See data in section 7.5 Acting responsibly towards suppliers of this chapter.	It also reflects our commitment to the local economies of the geographies in which we operate.

Specific data requested by ESG standards

GRI 201 -1. Direct economic value generated and distributed	Direct economic value generated and distributed (EVG&D) on an accruals basis, including the basic components for the organization's global operations as listed below. <ol style="list-style-type: none"> i. Direct economic value generated: revenues; ii. Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments; iii. Economic value retained: 'direct economic value generated' less 'economic value distributed'. See data in section 7.5 Acting responsibly towards suppliers of this chapter.	Economic performance indicator that reflects how an organisation has generated economic wealth for its stakeholders. It is a requirement of the GRI standard (201-1: Direct economic value generated and distributed). For more information see: https://www.globalreporting.org/
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10. Sustainability reporting standards and references

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10.1 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 GRI indicators/Other regulations
	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. 7); About this chapter (p. 21); Materiality assessment (p. 28); Double materiality assessment and sources (p. 95).	GRI 2-1 GRI 2-2 GRI 2-3 GRI 2-4 GRI 2-5 GRI 2-6 GRI 2-7 GRI 2-22
	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):	Main internal regulation and governance (p. 92); Business conduct (p. 64) (Environmental, social and climate change risk management section).	GRI 2-23 GRI 3-3
0. General Information	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.	Acting responsibly towards employees (p. 46); Acting responsibly towards customers (p. 55); Acting responsibly towards suppliers (p. 69); Supporting the green transition (p. 30); Responsible investment (p. 44). Our progress in figures (p. 70).	GRI 2-24 GRI 3-3
	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.	Impact, risk and opportunities (p. 29); Business conduct (p. 64) (Environmental, social and climate change risk management section); Supporting the green transition (p. 30); Acting responsibly towards customers (p. 55); Risk, compliance and conduct management chapter (p. 451).	GRI 2-12

	Non-financial information to be disclosed	Chapter/section of the annual report	Correspondence with GRI indicators/Other regulations
1. Environmental Information	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.	Supporting the green transition (p. 30); Business conduct (p. 64) (Environmental, social and climate change risk management). 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.	GRI 2-12 GRI 2-23 GRI 3-3
	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.	Supporting the green transition (p. 30) (Reducing our environmental footprint).	GRI 3-3 GRI 305-5
	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.	Supporting the green transition (p. 30) (Our environmental footprint).	GRI 3-3 GRI 301-1 GRI 306-2
	Sustainable use of resources:		
	Use and supply of water according to local limitations	Supporting the green transition (p. 30) (Our environmental footprint); Our progress in figures (p. 70) (Environmental footprint)	GRI 303-5
	Consumption of raw materials and measures taken to improve the efficiency of its use.	Supporting the green transition (p. 30) (Our environmental footprint); Our progress in figures (p. 70) (Environmental footprint)	GRI 301-1
	Energy: direct and indirect consumption, measures taken to improve energy efficiency, use of renewable energies	Supporting the green transition (p. 30) (Our environmental footprint); Our progress in figures (p. 70) (Environmental footprint)	GRI 3-3 GRI 302-1 GRI 302-3 GRI 302-4
	Climate change:		
	Important elements of greenhouse gas emissions generated as a business activity (including goods and services produced)	Supporting the green transition (p. 30) (Our environmental footprint); Our progress in figures (p. 70) (Environmental footprint)	GRI 3-3 GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-4
	Measures taken to adapt to the consequences of climate change	Supporting the green transition (p. 30)	GRI 3-3 GRI 201-2
	Reduction targets voluntarily established in the medium and long term to reduce greenhouse gas emissions and means implemented for this purpose.	Supporting the green transition (p. 30)	GRI 2-23 GRI 3-3
Protection of biodiversity:			
Measures taken to preserve or restore biodiversity	Supporting the green transition (p. 30) (Nature and biodiversity).	GRI 304-2	
Impacts caused by the activities or operations of protected areas			

	Non-financial information to be disclosed	Chapter/section of the annual report	Correspondence with GRI indicators/Other regulations
2. Social	Employment:		
	Total number and distribution of employees by gender, age, country and professional classification	Our progress in figures (p. 70).	GRI 2-7 GRI 3-3 GRI 405-1
	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.	Our progress in figures (p. 70).	GRI 2-7 GRI 405-1
	Number of dismissals by: gender, age and professional classification.	Our progress in figures (p. 70).	GRI 401-1
	Average remuneration and its progression broken down by gender, age and professional classification	Our progress in figures (p. 70).	GRI 405-2
	Salary gap and remuneration of equal or average jobs in society	Acting responsibly towards employees (p. 46) (Diversity, equity and inclusion section).	GRI 3-3 GRI 405-2
	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)	Our progress in figures (p. 70).	GRI 2-19 GRI 2-20 GRI 3-3 GRI 405-2
	Implementation of work disconnection policies	Acting responsibly towards employees (p. 46) (Transforming the way we work section).	GRI 3-3
	Employees with disabilities	Our progress in figures (p. 70).	GRI 405-1
	Organization of work:		
	Organization of work time	Acting responsibly towards employees (p. 46) (Transforming the way we work section).	GRI 3-3
	Number of absent hours	Our progress in figures (p. 70).	GRI 403-9 GRI 403-10
	Measures designed to facilitate work-life balance and encourage a jointly responsible use of said measures by parents	Acting responsibly towards employees (p. 46) (Gender equality section).	GRI 3-3
	Health and safety:		
	Conditions of health and safety in the workplace	Acting responsibly towards employees (p. 46) (Employees' health and well-being section).	GRI 3-3
	Occupational accidents, in particular their frequency and severity, as well as occupational illnesses. Broken down by gender.	Our progress in figures (p. 70).	GRI 403-9 GRI 403-10
	Social relations:		
	Organization of social dialogue (including procedures to inform and consult staff and negotiate with them)	Acting responsibly towards employees (p. 46) (Collective bargaining). Acting responsibly towards customers (p. 55); Stakeholders engagement (p. 89).	GRI 3-3
	Percentage of employees covered by collective bargaining agreements by country	Our progress in figures (p. 70).	GRI 2-30
	Balance of the collective bargaining agreements (particularly in the field of health and safety in the workplace)	Acting responsibly towards employees (p. 46) (Employees' health and well-being section)	GRI 403-1 GRI 403-4
	Mechanisms and procedures that employers have for encouraging the involvement of workers in management of the company, in terms of information, consultation and participation	Business conduct (p. 64) (Ethical channels)	
	Training:		
The policies implemented in the field of training	Acting responsibly towards employees (p. 46) (Attracting talent and Developing talent sections).	GRI 3-3 GRI 404-2	
Total number of hours of training by professional categories.	Our progress in figures (p. 70).	GRI 404-1	

	Non-financial information to be disclosed	Chapter/section of the annual report	Correspondence with GRI indicators/Other regulations
2. Social	Accessibility:		
	Universal accessibility of people	Acting responsibly towards employees (p. 46) (Diversity, equity and inclusion section); Acting responsibly towards customers (p. 55); Supporting communities (p. 61).	GRI 3-3
2. Social	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	Acting responsibly towards employees (p. 46) (Diversity, equity and inclusion section); Supporting communities (p. 61).	GRI 3-3
3. Human Rights	Application of due diligence procedures in the field of Human Rights	Main internal regulations and governance (p. 92); Business conduct (p. 64) (Environmental, social and climate change risk management and Human rights protection section); Acting responsible towards suppliers (p. 69).	GRI 2-25 GRI 3-3
	Prevention of the risks of Human Rights violations and, where appropriate, measures to mitigate, manage and repair any possible abuses committed	Main internal regulations and governance (p. 92); Business conduct (p. 64) (Environmental, social and climate change risk management and Human rights protection section); Acting responsible towards suppliers (p. 69).	GRI 2-23 GRI 2-24 GRI 2-25 GRI 2-26
	Complaints about cases of human rights violations	Business conduct (p. 64) (Ethical channels section).	GRI 406-1
	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.	Acting responsibly towards employees (p. 46)	GRI 3-3
	Elimination of discrimination in respect of employment and occupation; elimination of forced or compulsory labour; and the effective abolition of child labour.	Business conduct (p. 64) (Environmental, social and climate change risk management and Human rights sections)	GRI 2-23 GRI 3-3 GRI 406-1
4. Fight against corruption	Measures taken to prevent corruption and bribery	Main internal regulations and governance (p. 92); Business conduct (p. 64) (Financial crime compliance section). Risk, compliance and conduct management chapter: 7.2 Compliance and conduct risk management section (p. 497).	GRI 2-23 GRI 2-26 GRI 3-3 GRI 205-1 GRI 205-2
	Measures to combat money laundering	Main internal regulations and governance (p. 92); Business conduct (p. 64) (Financial crime compliance section). Risk, compliance and conduct management chapter: 7.2 Compliance and conduct risk management section (p. 497).	GRI 2-23 GRI 2-26 GRI 3-3 GRI 205-1 GRI 205-2
	Contributions to non-profit foundations and entities	Supporting communities (p. 61).	GRI 413-1

	Non-financial information to be disclosed	Chapter/section of the annual report	Correspondence with GRI indicators/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	Supporting communities (p. 61). Financial health and inclusion (p. 57). Business conduct (p. 64) (Environmental, social and climate change risk management).	GRI 3-3 GRI 203-1 GRI 203-2 GRI 413-1 GRI 413-2
	The impact of the company's activity on local towns and villages and in the country.	Supporting communities (p. 61). Financial health and inclusion (p. 57).	GRI 203-1 GRI 203-2 GRI 411-1 GRI 413-1 GRI 413-2
	Relations maintained with the representatives of local communities and the modalities of dialogue with them.	Stakeholder engagement (p. 89).	GRI 2-29
	Association or sponsorship actions	Santander participates in the sectoral associations representing financial activity in the countries in which it operates, such as the AEB in the case of Spain.	GRI 2-28
	Outsourcing and suppliers:		
	Inclusion of social, gender equality and environmental issues in the procurement policy	Acting responsibly towards suppliers (p. 69).	GRI 2-6 GRI 3-3
	Consideration in relations with suppliers and subcontractors of their responsibility	Acting responsibly towards suppliers (p. 69).	GRI 204-1 GRI 308-1 GRI 414-1
	Supervision and audit systems and resolution thereof	Acting responsibly towards suppliers (p. 69).	GRI 3-3
	Consumers:		
	Measures for the health and safety of consumers	Acting responsibly towards customers (p. 55). Risk, compliance and conduct management chapter: 7.2 Compliance and conduct risk management section (p. 497)	GRI 3-3 GRI 416-1 GRI 417-1
	Systems for complaints received and resolution thereof	Acting responsibly towards customers (p. 55). Risk, compliance and conduct management chapter: 7.2 Compliance and conduct risk management section (p. 497)	GRI 2-26 GRI 3-3 GRI 416-2 GRI 417-2 GRI 418-1
	Tax information:		
	The profits obtained country by country	Auditor's report and 2023 annual consolidate accounts (p. 519) (Annex VI Annual banking report) and Auditor's Report and 2022 annual consolidate accounts (Annex VI Annual banking report).	GRI 3-3 GRI 207-1
	Taxes on benefits paid	Our progress in figures (p. 70) (8.1 Tax contribution)	
Public grants received	GRI content index (p. 151).	GRI 201-4	
6. Other relevant information	EU Taxonomy	Information related to article 8 of EU Taxonomy: Responsible investment (p. 44); EU Taxonomy (p. 97).	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

In addition to the contents mentioned in the previous table, the consolidated non-financial information statement of Banco Santander includes the following contents: 1, 2-8, 2-9, 2-10, 2-11, 2-13, 2-14, 2-15, 2-16, 2-17, 2-18, 2-21, 2-27, 3-1, 3-2, 201-1, 201-3, 202-1, 202-2, 205-3, 206-1, 207-2, 207-3, 207-4, 302-2, 302-5, 304-1, 304-3, 304-4, 305-6, 305-7, 306-1, 306-3, 306-4, 306-5, 401-2, 401-3, 403-2, 403-3, 403-5, 403-6, 403-8, 404-3, 415-1, 417-3.

10.2 UN Global Compact content index

Banco Santander has been a member of the United Nations Global Compact since 2002. Through the Responsible Banking chapter of this 2022 Annual Report, the bank shows its support and progress in complying with the Ten Principles of the United Nations Global Compact in the areas of human rights, labour, environment and anti-corruption.

Principles		Reference in the 2023 Annual report	Correspondence with GRI indicators
Human rights			
Principle 1:	Businesses should support and respect the protection of internationally proclaimed human rights.	Main internal regulations and governance (p. 92); Business conduct (p. 64) (sections: Conduct standards, Environmental, social and climate change risk management, Acting responsibly towards suppliers)	GRI 2-7, 2-22, 2-23, 2-30, 201-3, 205-2, 401-1, 401-2, 403-1, 403-6, 403-9, 406-1, 414-1
Principle 2:	Businesses should make sure they are not complicit in human rights abuses.	Business conduct (p. 64) (Ethical channels section); Acting responsibly towards employees (p. 46) (Employee feedback subsection)	GRI 406-1, 414-1
Labour			
Principle 3:	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Acting responsibly towards employees (p. 46) (Working conditions and social dialogue section).	GRI 2-30, 401-2
Principle 4:	Businesses should uphold the elimination of all forms of forced and compulsory labour.	Business conduct (p. 64) (Environmental, social and climate change risk management section).	
Principle 5:	Businesses should uphold the effective abolition of child labour.	Business conduct (p. 64) (Environmental, social and climate change risk management section).	
Principle 6:	Businesses should uphold the elimination of discrimination in respect to employment and occupation.	Acting responsibly towards employees (p. 46) (Diversity, equity and inclusion (DE&I) subsection).	GRI 2-7, 401-1, 401-2, 403-9, 404-1, 404-2, 404-3, 405-1, 406-1
Environment			
Principle 7:	Businesses should support a precautionary approach to environmental challenges.	Supporting the green transition (p. 30).	GRI 308-1
Principle 8:	Businesses should undertake initiatives to promote greater environmental responsibility.	Supporting the green transition (p. 30).	GRI 302-1, 302-4, 303-5, 305-1, 305-2, 305-3, 305-4, 305-5
Principle 9:	Businesses should encourage the development and diffusion of environmentally friendly technologies.	Supporting the green transition (p. 30) (Our environmental footprint section). Our progress in figures (p. 70).	GRI 302-4, 305-5
Anti-Corruption			
Principle 10:	Businesses should work against corruption in all its forms, including extortion and bribery.	Main internal regulations and governance (p. 92); Business conduct (p. 64) (Financial crime compliance and relations with political parties section); Compliance and conduct risk (p. 497) (Compliance and conduct risk management section)	GRI 2-23, 2-27, 205-1, 205-2

10.3 UNEP FI Principles for Responsible Banking reporting index

Principle 1: Alignment



We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

Business model

Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

Santander is a retail bank that operates in three regions (Europe, North America and South America) and in 10 core markets. We structure our operations into five global businesses: Retail & Commercial Banking; Digital Consumer Bank; Corporate & Investment Banking; Wealth Management & Insurance; and Payments.

We want to be the best digital and open financial services platform by acting responsibly and earning the lasting loyalty of employees, customers, shareholders and broader society. Our purpose is to help people and businesses prosper. We strive to make sure that everything we do is Simple, Personal and Fair.

Our strategy is to create value for all our stakeholders. With a talented and motivated team, we earn our customers' trust and achieve strong financial results for our shareholders, which in turn enables us to support the communities we serve.

Our business model is based on three pillars:

- Customer focus. Digital bank with branches. We are transforming our business and operating model through technology-based initiatives to build a digital bank with branches that enables our customers to access financial services through several channels.
- Our scale: Our scale in each core market, coupled with our global reach, drives profitable growth and competitive advantage over local peers.
- Diversification: Our diversification by geography (in emerging and mature markets) and business (with presence in every sector — retail customers, SMEs, corporates, etc.) enables us to keep net interest income stable.

By numbers:

- Total customers served: 165 million
- Gross loans and advances to customers: EUR 1,015 billion
- Distribution by region: Europe (55%); North America (16%); South America (16%); Digital Consumer Bank (13%).
- Distribution by segment: retail customers (63%), SMEs and corporates (24%); CIB (13%).

Links and references

Corporate website - [santander.com](https://www.santander.com)

- [About us](#)
- [Our approach](#)

2023 Digital Annual Review

2023 Annual report

- [Business model and strategy](#) chapter
- [Economic and financial review](#) chapter

Strategy alignment

Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?

- Yes
- No

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?

- UN Guiding Principles on Business and Human Rights
- International Labour Organization fundamental convention
- UN Global Compact
- UN Declaration on the Rights of Indigenous Peoples
- Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones: **NFRD (Spanish Act 11/2018), Pillar III**
- Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones: **Modern Slavery Act 2015 UK**
- None of the above

Banco Santander is firmly committed to driving inclusive and sustainable growth. Our purpose is to help people and businesses prosper. Our operations and investments contribute to several United Nations' Sustainable Development Goals (SDGs) and to the Paris Agreement. We pinpointed three SDGs on which the Group has the greatest impact (8, 13 and 16) and eight more to which we also make a significant contribution through our activity and our social programmes (1, 4, 5, 7, 10, 11, 12, 13 and 17). We support the Paris Agreement goals and in 2021 set our ambition to be net zero in CO2 emissions by 2050. We also drive our responsible banking agenda through local and international initiatives and working groups. We comply with all regulatory requirements regarding ESG disclosure. The Responsible Banking chapter of the 2023 Annual Report is the Group's consolidated non-financial information statement. It provides detailed information in accordance with Spain's Act 11/2018, which transposes Directive 2014/95/EU into Spanish law. Our Pillar 3 ESG risk disclosures also cover new market requirements. Our three priorities as a responsible bank are:

- Support the transition to a low-carbon economy:
 - Support and engage with customers in accelerating their transition, and develop a best-in-class sustainable finance and investment proposition.
 - Progress with decarbonizing our portfolios to align to net zero by 2050, while considering other environmental goals.
- Promote inclusive growth:
 - Promote employees' wellbeing and equal treatment and opportunity for all.
 - Support financial inclusion by promoting access to financial products and services and financial health, including financial literacy.
 - Foster customer information transparency and data privacy.
 - Support education, employability and entrepreneurship.
- Strong governance and culture across the organization:
 - Drive culture, conduct and ethical behaviour, doing everything the Santander Way: Simple, Personal and Fair.
 - Continue integrating ESG in governance and our core activities, and enhancing capabilities across teams including business, risk management and data reporting.

Links and references

2023 Digital Annual Review

- [About us](#)

2023 Annual report - Responsible banking chapter

- [III. Our sustainability strategy](#)
- [9.1 Stakeholder engagement](#)
- [10.8 SDGs contribution content index](#)

Other references

- [Santander UK Modern Slavery Statement - santander.co.uk/about-santander/investor-relations/modern-slavery-statement](#)

Principle 2: Impact and Target Setting



We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

2.1 Impact Analysis (Key Step 1)

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly¹ and fulfil the following requirements/elements (a-d)²:

a) Scope: What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why

Grupo Santander performs an annual materiality assessment to identify the most pressing sustainability matters. In 2023, we took a double-materiality approach based on the Corporate Sustainability Reporting Directive (CSRD). Our assessment covered two dimensions: impact materiality and financial materiality.

Impact materiality assesses the potential positive and negative impacts of sustainability matters on people and the environment. We used the UNEP FI impact tool to assess impact materiality.

The assessment covered the entire group, including information on all our businesses (Retail & Commercial Banking; Digital Consumer Bank; Corporate & Investment Banking; Wealth Management & Insurance; and Payments) and our own operations. It did not consider our vendors' value chain.

Links and references

2023 Annual report - Responsible banking chapter

- [1.1 Material sustainability matters](#)
- [1.2 Impact, risks and opportunities](#)
- [9.4 Double Materiality Assessment and sources](#)

1. That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time.

2. Further guidance can be found in the Interactive Guidance on impact analysis and target setting ([unepfi.org/wordpress/wp-content/uploads/2022/05/Impact-and-Target-Process-V-1.1-09.05.2022.pdf](https://www.unepfi.org/wordpress/wp-content/uploads/2022/05/Impact-and-Target-Process-V-1.1-09.05.2022.pdf)).

b) Portfolio composition: Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope

- i) by sectors & industries³ for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or
- ii) by products & services and by types of customers for consumer and retail banking portfolios.

If your bank has taken another approach to determine the bank's scale of exposure, please elaborate, to show how you have considered where the bank's core business/major activities lie in terms of industries or sectors.

Santander used the Consumer Banking and Investment Banking modules.

The Consumer Banking module (52% of total assets, not including cash and debt securities) included products and credit volumes in the retail segment (mainly mortgages and consumer loans).

The Investment Banking module (48%) included credit volumes in business segments (from SMEs to corporates), split by NACE sector.

Links and references

2023 Annual report - Responsible banking chapter

- [1.1 Material sustainability matters](#)
- [1.2 Impact, risks and opportunities](#)
- [9.4 Double Materiality Assessment and sources](#)

2023 Annual report - Risk management and compliance chapter

- [3. Credit risk](#)

c) Context: What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate?⁴ Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

We used the Context module as input to point out the key sustainability challenges in the markets where the Group operates. We conducted this assessment on the Group's five biggest markets (Spain, the UK, Brazil, Mexico and the US) in the three regions where we are present (Europe, North America and South America).

The key sustainability challenges across the Group's footprint according to the Context module of the UNEPFI tool are:

- availability, accessibility, affordability, which for us relates significantly to financial inclusion; and
- climate stability

We also included feedback from other main stakeholders — customers, regulators and NGOs — to confirm our findings and prioritize areas of focus.

Links and references

2023 Annual report - Responsible banking chapter

- [1.1 Material sustainability matters](#)
- [1.2 Impacts, risks and opportunities](#)
- [2. Supporting the green transition](#)
- [5.3 Financial health and inclusion](#)
- [9.4 Double Materiality Assessment and sources](#)

3. 'Key sectors' relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.

4. Global priorities might alternatively be considered for banks with highly diversified and international portfolios.

Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)⁵? Please disclose.

The two main areas of impact, which we made pivotal components of our strategy, are:

- availability, accessibility, affordability, which for us relates significantly to financial inclusion; and
- climate stability

The positive impacts outweigh the negative impacts in both areas.

Based on banks' business models, we consider these areas of impact to:

- promote the financial health and inclusion of our customers; and
- help our customers transition to a low-carbon economy.

Links and references

2023 Annual report - Responsible banking chapter

- [III. Our sustainability strategy](#)
- [1.1 Material sustainability matters](#)
- [1.2 Impact, risks and opportunities](#)
- [2. Supporting the green transition](#)
- [5.3 Financial health and inclusion](#)
- [9.4 Double Materiality Assessment and sources](#)

5. To prioritize the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g. through stakeholder engagement and further geographic contextualisation.

d) For these (min. two prioritized impact areas): Performance measurement: Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.

In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank's current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank's activities and provision of products and services. If you have identified climate and/or financial health&inclusion as your most significant impact areas, please also refer to the applicable indicators in the Annex.

If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe this.

The main impacts within the two selected areas are:

- availability, accessibility, affordability: Positive impact from retail exposure; and
- climate stability: Impact from the most emissions-intensive sectors, such as mining, manufacturing, energy, transport, and storage.

Links and references

2023 Annual report - Responsible banking chapter

- [1.1 Material sustainability matters](#)
- [1.2 Impact, risks and opportunities](#)
- [9.4 Double Materiality Assessment and sources](#)
- [2. Supporting the green transition](#)
- [5.3 Financial health and inclusion](#)

Self-assessment summary:

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?⁶

- Scope: Yes In progress No
- Portfolio composition: Yes In progress
- Context: Yes In progress No
- Performance measurement: Yes In progress No

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

Climate change mitigation and financial health & inclusion

How recent is the data used for and disclosed in the impact analysis?

- Up to 6 months prior to publication
- Up to 12 months prior to publication
- Up to 18 months prior to publication
- Longer than 18 months prior to publication

Open text field to describe potential challenges, aspects not covered by the above etc.: (optional)

6. You can respond "Yes" to a question if you have completed one of the described steps, e.g. the initial impact analysis has been carried out, a pilot has been conducted.

2.2 Target Setting (Key Step 2)

Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.

The targets⁷ have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

a) Alignment: which international, regional or national policy frameworks to align your bank's portfolio with⁸ have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.

Regarding climate change, we set our ambition to be net zero in carbon emissions by 2050 in February 2021 (2020 Annual Report). We're also a founding member of the UNEP FI Net Zero Banking Alliance (NZBA, a coalition of leading banks that represent 41% of global banking assets) as a key banking sector initiative to help us drive our net zero ambition.

Since setting our ambition, we've announced seven decarbonization targets for the most emissions-intensive sectors. These sectors are power generation; thermal coal mining and power generation; oil and gas; aviation; steel; auto manufacturing; and auto lending.

According to our last assessment, aluminium, cement and maritime transport are not material to Santander.

Within the NZBA sectors, we are also making headway with analysing, measuring and acting to help decarbonize other climate-related sectors such as agriculture, mortgages and commercial real estate, which are key in the retail segments. The climate performance dynamics of these sectors are heavily dependent on their regulatory landscape. There is currently a lack of public policies, actions and specific plans and measures at the level the changes require for a net zero pathway. We continue to work with clients in these sectors on their decarbonization efforts and internal monitoring of their performance; but we understand we should refrain from setting public targets until their regulatory landscape is sufficiently supportive. We have been actively and constructively sharing our understanding and experience of these policy gaps with authorities, as well as other sectors, and plan to keep doing so.

Regarding financial inclusion, having exceeded our target to financially empower 10 million people between 2019 and 2025 (reaching 11.8 million in 2022), in 2023 we set a new target to **financially include** 5 million more between 2023 and 2025 through access and financing initiatives. We came up with an internal methodology to calculate the number of people we financially include. It considers best international practice and received independent, third-party validation. Santander also has an active role in the UNEP FI Working Group on Financial Health and Inclusion, which underpins the methodology we use.

Links and references

2023 Annual report - Responsible banking chapter

- [2. Supporting the green transition](#)
- [5.3 Financial health and inclusion](#)

Climate finance report

- 5. Metrics and targets

7. Operational targets (relating to for example water consumption in office buildings, gender equality on the bank's management board or business-trip related greenhouse gas emissions) are not in scope of the PRB.
 8. Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/ies of operation for the purpose of setting targets. These can be found in National Development Plans and strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the bank's targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.

b) Baseline: Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.

In case you have identified other and/or additional indicators as relevant to determine the baseline and assess the level of alignment towards impact driven targets, please disclose these.

Regarding **climate change**, we set baselines for our decarbonization targets.

Baseline: We use 2019 as the baseline for four of our targets.

For auto manufacturing and auto lending, we use 2020 and 2022, respectively.

In **financial inclusion**, we achieved our target to financially empower 10 million people between 2019 and 2025 through access, financing and education initiatives three years early in 2022. To revise this target, in 2023 we conducted a study using reliable public information (i.e. from the World Bank) to pinpoint the barriers to financial services in our core markets. Based on that study and the initiatives we're running, we set a new target to financially empower 5 million people between 2023 and 2025.

Links and references

- [2. Supporting the green transition](#)
- [5.3 Financial health and inclusion](#)

Climate finance report

- 5. Metrics and targets

c) SMART targets (incl. key performance indicators (KPIs)⁹): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.

Climate change: Our aim is to support the green transition and reach net zero carbon emissions by 2050 by aligning our portfolio with the Paris Agreement goals:

- Target/KPI 1: Thermal coal mining and power generation phase-out. From 7 bn (2021) to 0 by 2030.
- Target/KPI 2: Reduce the emissions intensity of the power generation portfolio from 0.21 tCO₂e/MWh (2019) to 0.11 tCO₂e/MWh by 2030.
- Target/KPI 3: Reduce the absolute emissions of the energy portfolio (oil and gas) from 23.84 mtCO₂e (2019) to 16.98 mtCO₂e by 2030.
- Target/KPI 4: Reduce the emissions intensity of the aviation portfolio from 92.47 grCO₂e/RPK (2019) to 61.71 grCO₂e/RPK by 2030.
- Target/KPI 5: Reduce the emissions intensity of the steel portfolio from 1.58 tCO₂e/tS (2019) to 1.07 tCO₂e/tS by 2030.
- New target for 2023/KPI 6: Reduce the emissions intensity of the auto manufacturing portfolio from 149 gCO₂/vkm (2020) to 103 gCO₂/vkm by 2030.
- New target for 2023/KPI 7: Reduce the emissions intensity of the auto lending portfolio from 137 gCO₂e/vkm (2022) to 75- 89 gCO₂/vkm by 2030.

Helping customers transition to a low-carbon economy

- Target/KPI 8: Invest or mobilize EUR 120 billion in green finance between 2019 and 2025, and EUR 22 billion by 2023.

Helping customers transition to a sustainable economy

Target/KPI 9: EUR 100 billion in socially responsible investment by 2025.

Financial health and inclusion. Our aim is to help people access and use basic financial services, and provide tailored finance to individuals and SMEs with difficulty accessing credit or that are in financial distress through financial education initiatives that help maximize our impact.

- Target 1: Financially empower 5 million people between 2023 and 2025.
 - Target/KPI 1: # people benefited from access to, and use of, basic financial services through simple payment platforms and cash services in remote and small communities.
 - Target/KPI 2: # microentrepreneurs, customers in financial distress and low-income households with difficulty getting credit for housing or basic financial needs supported.

Links and references

2023 Annual report - Responsible banking chapter

- [IV. 2023 highlights](#)
- [2. Supporting the green transition](#)
- [5.3 Financial health and inclusion](#)

d) Action plan: which actions including milestones have you defined to meet the set targets? Please describe.

Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.

Climate change

We drew up a climate strategy and are working to (1) set and implement decarbonization targets in the highest-emitting sectors, reporting on progress and action plans every year; (2) support our customers' transition (rolling out solutions and ramping up our green operations), which we pledge to do as part of our action plan; (3) embed climate in risk management and revise the risk appetite of our portfolios through decarbonization targets; and (4) manage the environmental footprint of our own operations, with multi-year plans agreed for all units.

Financial health and inclusion

We promote financial health and inclusion through these three initiatives:

- Access. Helping people access and use basic financial services through simple payment platforms and cash services in remote and small communities.
- Finance. We provide tailored finance to individuals and SMEs with difficulty accessing credit or that are in financial distress.
- Financial health. We help people manage their finances better in the short, medium and long term by expanding their knowledge of finance and making concepts easy to understand, which enables them to make more informed decisions.

Our access and finance initiatives contribute towards our public target to financially empower five million people.

Links and references

2023 Annual report - Responsible banking chapter

- [IV. 2023 highlights](#)
- [2. Supporting the green transition](#)
- [5.3 Financial health and inclusion](#)

9. Key Performance Indicators are chosen indicators by the bank for the purpose of monitoring progress towards targets.

Self-assessment summary

Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your...

	... first area of most significant impact: ... Climate change	... second area of most significant impact: ... Financial health and inclusion	(If you are setting targets in more impact areas) ...your third (and subsequent) area(s) of impact: ... N/A
Alignment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Baseline	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
SMART targets	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Action plan	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No

2.3 Target Implementation and Monitoring (Key Step 2)

For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.

Report on your bank’s progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

Climate change

We set the wheels in motion to implement our financed emissions reduction targets. This includes engaging with customers on climate matters; gathering data as part of our analysis on the risk of exclusion; and linking targets to senior executives’ remuneration. In 2023, we took this approach with sectors other than power generation (oil and gas, steel, and aviation) and set targets that adapt to their particularities.

Our approach seeks to facilitate the achievement of emissions targets and develop a solid understanding of our customers’ strategies to transition to low-carbon business models.

We base our approach on governance procedures run by our customer relations and risk teams and overseen by senior managers to guide our portfolio management. Its four stages are gather, assess, engage and review. We used several internationally recognized references such as the Cambridge Institute for Sustainability Leadership’s (CISL) ‘Let’s Discuss Climate’ guide and adapted them to our needs and objectives.

Financial health and inclusion

After achieving our target (in 2022) to financially empower 10 million people, in 2023 we:

- conducted a study using reliable public information (i.e. from the World Bank) to pinpoint the barriers to financial services in our core markets. Based on that study and the initiatives we’re running, we set a new target to financially empower 5 million people between 2023 and 2025;
- updated our methodologies on measuring the number of people we financially empower and who benefit from our financial education programme; and
- began reporting progress every quarter through automated control to ensure the quality and consistency of information.

In 2023, we financially included further 1.8 million people through access and lending solutions.

Links and references

2023 Annual report - Responsible banking chapter

- [IV. 2023 highlights](#)
- [2. Supporting the green transition](#)
- [5.3 Financial health and inclusion](#)

Principle 3: Clients and Customers



We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

3.1 Client engagement

Does your bank have a policy or engagement process with clients and customers¹⁰ in place to encourage sustainable practices?

Yes In progress No

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

Yes In progress No

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities¹¹). It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

Our Responsible banking and sustainability policy sets out the general principles, commitments, objectives and strategy that guide the Group's progress with responsible banking and sustainability matters. The aim is to promote long-term value creation for all our stakeholders by acting on opportunity and managing risk. By fulfilling our purpose to help people and businesses prosper, we grow as a business and support society's efforts to face global challenges, which drives our ambition in environmental, social and governance. We also have other policies that support our responsible banking strategy in such areas as compliance and conduct, cybersecurity, customer conduct risk management, customer service, product and service approval, sensitive sectors, data protection, and treatment of vulnerable customers.

We want to act responsibly to make sure that every customer has a Simple, Personal and Fair experience with us. These are our key initiatives in this area:

- We are continuously enhancing procedures that impact on customers' experience with products and services, based on our NPS scores. In 2023, we enhanced contact centre and innovation-related procedures.
- To enhance our sales of products and services, 40% of our sales units' variable pay is based on customer satisfaction and quality metrics. We included the contact centre in this variable pay scheme for the first time in 2023.
- We have several initiatives for vulnerable customers, including a customer service protocol for senior citizens and people with disabilities.

As part of our customer engagement, our Environmental, social and climate change risk management policy sets out how we identify, assess, monitor and manage environmental and social risks and other climate change-related operations. Together with the Equator Principles, we analyse operations in relation to investment in entities, the provision of financial products or services in the oil and gas, power generation and mining and metallurgy sectors, as well as those derived from soft commodity businesses.

Links and references

2023 Annual report - Responsible banking chapter

- [7. Business conduct](#)
- [9.2 Main internal regulations and governance](#)

Corporate website - santander.com

- Our approach/Policies - santander.com/en/our-approach/policies

10. A client engagement process is a process of supporting clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

11. Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.

3.2 Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

These are the main growth opportunities that Banco Santander has identified:

- **Green finance:** All our initiatives are to help our customers transition to a low-carbon economy. For large corporates, we focus on renewable energy and sustainable technology solutions. In Retail & Commercial Banking, we identified five areas of priority: green buildings, clean mobility, renewables, sustainable agriculture, and the circular economy.
- **AUM in socially responsible investment:** We run initiatives to reach our goal of EUR 100 billion of socially responsible investment (SRI) AUM by 2025
- **Financial inclusion/Microfinance:** Our microfinance operations in Brazil, Mexico, Uruguay, Colombia, Peru and other Latin American markets aim to help microentrepreneurs set up and grow their businesses.
- **Financial inclusion/Access:** We have the opportunity to provide access through bank accounts and digital solutions and wallets to those at the base of the pyramid.

Links and references

- 2023 Annual report** - Responsible banking chapter
- [IV. 2023 highlights](#)
 - [1.1 Material sustainability matters](#)
 - [1.2 Impact, risks and opportunities](#)
 - [9.4 Double Materiality Assessment and sources](#)
 - [2. Supporting the green transition](#)
 - [5.3 Financial health and inclusion](#)

Principle 4: Stakeholders



We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

4.1 Stakeholder identification and consultation

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups¹²) you have identified as relevant in relation to the impact analysis and target setting process?

Yes In progress No

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

Our materiality assessment includes inputs from customers, employees, senior managers, investors, supervisors, regulators and NGOs. Their contributions were key to understand the importance of the impact, risk and opportunity of sustainability matters. This stakeholder feedback supplemented our double-materiality assessment.

We engaged our stakeholders mainly through surveys, which are the most direct way of incorporating their feedback into the materiality assessment. We also conducted interviews with our teams to build on the information we received.

Findings are somewhat consistent across the six stakeholder groups we surveyed. Their primary concerns include the fight against climate change, customer data protection, transparency, and inclusion. Beyond the annual materiality assessment, we run continuous active listening and engagement initiatives throughout the year. We conduct surveys and have speak-up channels for employees and customers. We assess external factors to identify risk and opportunity and to gauge our impact on the community. We respond to demands from analysts, investors and ratings agencies and NGOs; keep pace with new regulation and best practices worldwide; and take part in consultations with authorities, trade bodies and other organizations on sustainability. We're also involved in major local and international initiatives to support inclusive and sustainable growth.

Links and references

- 2023 Annual report** - Responsible banking chapter
- [1.1 Material sustainability matters](#)
 - [1.2 Impact, risks and opportunities](#)
 - [9.4 Double Materiality Assessment and sources](#)
 - [9.1 Stakeholder engagement](#)

12. Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous population and non-profit organizations

Principle 5: Governance & Culture



We will implement our commitment to these Principles through effective governance and a culture of responsible banking

5.1 Governance Structure for Implementation of the Principles

Does your bank have a governance system in place that incorporates the PRB?

Yes In progress No

Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about

- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as
- remuneration practices linked to sustainability targets.

Santander's ESG governance

- 1) The board of directors approves and oversees the implementation of policies and strategies related to our corporate culture and values, responsible practices and sustainability. It also ensures that all the Group's employees are aware of our codes of conduct and act ethically, and comply with the law, customs and good practices of the sectors and countries in which we operate.
- 2) The responsible banking, sustainability and culture committee (RBSCC) oversees the Group's responsible banking programme and strategy. This committee comprises between three and nine directors (all independent or non-executive), with a majority independent directors.
- 3) The Responsible Banking Forum promotes and implements the responsible banking strategy throughout the Group, drives decision-making and ensures the execution of any mandates from the CBRSC, other board committees and the board of directors. The Forum also ensures alignment on key issues, including the review and submission of reports to the RBSCC.
- 4) The management meeting, chaired by the CEO, is where we discuss our quarterly progress with the responsible banking agenda (including climate change), with a focus on the implementation of the TCFD recommendations and ESG business opportunity.

Remuneration linked to sustainability targets

Sustainability is part of our short-term (variable remuneration) and long-term reward schemes. In both cases, Santander has scorecards to assess progress with sustainability matters, which are largely based on public targets.

The long-term incentive scorecard for 2022-2024 comprises the following metrics: the percentage of senior positions held by women; the number of financially empowered people; the amount of green finance invested and mobilized and SRI AUM; and the phase-out of exposure to thermal coal mining and power generation.

Links and references

2023 Annual report - Responsible banking chapter

- [VI. Governance](#)
- [4. Acting responsibly towards employees](#) (Performance management and remuneration)
- [9.2 Main internal regulations and governance](#)

2023 Annual report - Corporate governance chapter

- [4. Board of directors](#)
- [6. Remuneration](#)

Corporate website - santander.com

- Corporate governance - [santander.com/en/shareholders-and-investors/corporate-governance](https://www.santander.com/en/shareholders-and-investors/corporate-governance)
 - Rules and regulations of the Board of directors
 - Board of directors
 - Board committees

5.2 Promoting a culture of responsible banking:

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).

Our corporate culture, The Santander Way¹, is the bedrock of our success. Our values (Simple, Personal and Fair), our corporate behaviours (TEAMS), our leadership principles and our robust risk culture (Risk Pro) guide our day-to-day operations.

Employee training on sustainability is key to Santander. We further developed our three-tier training strategy and created a global ESG content platform:

- We have global mandatory ESG training for all employees, Sustainability for all.
- We continued to run ESG Talks, a series of webinars with internal experts for the areas that work on our sustainability agenda.
- We provided the content for employees to obtain Santander ESG Commitment Fundamentals, International Sustainable Finance Specialist-IASE level II and other sustainability certifications.

In 2023, the board of directors completed training programmes on climate change, with modules on the Paris Agreement, net zero, portfolio alignment, climate risk management, transition plans, regulation, and information disclosure.

We also trained our employees on the Code of conduct, diversity and inclusion, health and safety, customer and vendor relations, the environment, anti-corruption, cyber security, and other topics.

We believe it is key to lead by example when promoting sustainability awareness and culture. Since 2021, our offices and buildings in our core markets have been free of single-use plastics in fulfilment of our public commitments on responsible banking. 38% of our employees work in buildings certified to ISO 14001 or ISO 50001 management systems; this is above the 36% ambition considered in our 2022-2025 plan. Today, almost all of Santander’s headquarters in our core markets are LEED, BREEAM or ISO 14001-certified.

Some buildings in Brazil, Germany, Poland and Spain are LEED Gold or Platinum-certified, while the Grupo Santander City and Santander España’s central services buildings have ‘Zero waste’ certification. Santander runs global and local employee awareness campaigns on the importance of reducing waste and consumption. Each subsidiary posts news and feature articles on the environment and the Group’s ESG initiatives on its internal portal. In 2023, we observed Earth Hour for the 14th year in a row by switching off the lights at the Group’s most emblematic buildings.

Links and references

2023 Annual report - Responsible banking chapter

- [II. Our culture](#)
- [2. Supporting the green transition](#)
- [4. Acting responsibly towards employees](#)

5.3 Policies and due diligence processes

Does your bank have policies in place that address environmental and social risks within your portfolio?¹³ Please describe.

Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

Our Environmental, social and climate change risk management policy sets out standards for investing in, and providing financial products and services to, companies and customers who engage in sensitive activities in the oil and gas, power generation and transmission, mining and metals, and soft commodities industries (especially retail customers involved in farming and ranching in the Amazon). We analyse customers who are subject to the policy through a detailed questionnaire that their assigned banker completes before a team of analysts conducts an overall assessment of their environmental, social and climate change risks (which we update every year). We also analyse one-off, project-related transactions in accordance with the Equator Principles and such international regulations as the International Finance Corporation Performance Standards. After conducting environmental and social due diligence on projects, we ask our customers for mitigation plans based on their risk rating.

In 2023, we kicked off an initiative to identify and assess the actual and potential adverse impact on human rights that our operations may cause or contribute to, or that may be linked to our operations, products or services through business relationships, based on the recommendations of international frameworks such as the UNGPs and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. In addition to this initiative (the findings of which we will publish in 2024), we assess the socio-environmental impact of our operations on customers and vendors.

- **Customers:** Per the Environmental, social and climate change risk management policy, we analysed customers who are subject to the policy through a detailed questionnaire and one-off, project-related transactions in accordance with the Equator Principles and such international regulations as the International Finance Corporation Performance Standards. After conducting environmental and social due diligence on projects, we asked our customers for mitigation plans based on their risk rating.
- **Vendors:** We assess vendors who provide risk services to the bank through special questionnaires on environmental, social, human rights and good governance matters. We use the assessment findings to work with vendors on remediation plans and specific ESG training. In 2023, we worked on drawing up and implementing a new ESG approval methodology to classify our vendors according to risk, including a criticality assessment and action plans for vendors with the highest ESG risk.

Links and references

2023 Annual report - Responsible banking chapter

- [7. Business conduct](#) (Environmental, social and climate change risk management)
- [9.2 Main internal regulations and governance](#)

Corporate website - santander.com

- Our approach - Policies santander.com/en/our-approach/policies

13. Applicable examples of types of policies are: exclusion policies for certain sectors/activities; zero-deforestation policies; zero-tolerance policies; gender-related policies; social due diligence policies; stakeholder engagement policies; whistle-blower policies etc., or any applicable national guidelines related to social risks.

Self-assessment summary

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?

- Yes No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

- Yes No

Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

- Yes In progress No

Principle 6: Transparency & Accountability



We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

6.1 Assurance

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

Yes Partially

If applicable, please include the link or description of the assurance statement.

This is our fifth report on the Principles for Responsible Banking. It has been verified with limited assurance by PricewaterhouseCoopers Auditores, S.L. for 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). PricewaterhouseCoopers Auditores, S.L. is an independent firm that also audited Banco Santander, S.A.'s consolidated non-financial and financial statements for 2023.

Links and references

2023 Annual report - Responsible banking chapter

- [11. Independent verification report](#)

6.2 Reporting on other frameworks

Does your bank disclose sustainability information in any of the listed below standards and frameworks?

- GRI
- SASB
- CDP
- IFRS Sustainability Disclosure Standards (to be published)
- TCFD
- Other: **WEF Stakeholder Capitalism Metrics**

This chapter meets Spain's Act 11/2018, EU Guidelines 2017/C215/01 on non-financial reporting, the European Taxonomy regulation (Regulation (EU) 2020/852 and Commission Delegated Regulations 2021/2139 and 2021/2178), the GRI Standards, and the GRI G4 guidelines on financial services disclosures. It also considers the Sustainability Accounting Standards Board's (SASB) 2018-10 industry standards, and the World Economic Forum's Stakeholder Capitalism Metrics. It shows Santander's progress with the UN Principles for Responsible Banking, the TCFD recommendations, the 2030 Agenda, the UN Sustainable Development Goals and the GFANZ requirements on transition plans.

Links and references

2023 Annual report - Responsible banking chapter

- [About this chapter](#)
- [10. Sustainability reporting standards and references](#)

6.3 Outlook

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis¹⁴, target setting¹⁵ and governance structure for implementing the PRB)? Please describe briefly.

We will continue to make headway with identifying material items, risk and opportunity.

Links and references

6.4 Challenges

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.

What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question).

If desired, you can elaborate on challenges and how you are tackling these:

- | | |
|--|--|
| <input type="checkbox"/> Embedding PRB oversight into governance | <input checked="" type="checkbox"/> Customer engagement |
| <input type="checkbox"/> Gaining or maintaining momentum in the bank | <input type="checkbox"/> Stakeholder engagement |
| <input type="checkbox"/> Getting started: where to start and what to focus on in the beginning | <input checked="" type="checkbox"/> Data availability |
| <input checked="" type="checkbox"/> Conducting an impact analysis | <input checked="" type="checkbox"/> Data quality |
| <input checked="" type="checkbox"/> Assessing negative environmental and social impacts | <input type="checkbox"/> Access to resources |
| <input type="checkbox"/> Choosing the right performance measurement methodology/ies | <input type="checkbox"/> Reporting |
| <input checked="" type="checkbox"/> Setting targets | <input type="checkbox"/> Assurance |
| <input type="checkbox"/> Other: ... | <input type="checkbox"/> Prioritizing actions internally |

If desired, you can elaborate on challenges and how you are tackling these:

14. For example outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context and performance measurement

15. For example outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans etc.

10.4 Global Reporting Initiative (GRI) content index

GRI 1

Statement of use	Grupo Santander has reported in accordance with the GRI Standards for the period between 01 January 2023 and 31 December 2023
GRI 1 used	Foundation 2021
Sectoral standard of application	Financial Services (GRI G4)

GRI Standards - GENERAL DISCLOSURES

GRI Standard	Disclosure	Page	Omission	Reason	Explanation
GRI 2: GENERAL DISCLOSURES	2-1 Organizational details	Business model and strategy (p. 7); Note 1.a to the consolidated financial statements (p. 531).	-	-	-
	2-2 Entities included in the organization's sustainability reporting	2023 consolidated directors' report (Introduction)(p.4); About this chapter (p.21); Notes 3 and 53 to the consolidated financial statements; and Sections 3 and 4 of the Economic and financial review.	-	-	-
	2-3 Reporting period, frequency and contact point	2023 consolidated directors' report (Introduction)(p.4); About this chapter (p.21).	-	-	-
	2-4 Restatements of information	Our progress in figures (p. 70). Note 1.d to the consolidated financial statements (p. 531).	-	-	-
	2-5 External assurance	About this chapter (p.21); Independent verification report (p. 174).	-	-	-
	2-6 Activities, value chain and other business relationships	Business model and strategy (p.7); Section 4 of the Economic and financial review; Auditor's report and annual consolidated accounts (p. 531)(Appendix I. Subsidiaries of Banco Santander, S.A.).	-	-	-
	2-7 Employees	Our progress in figures (p. 70). Note 1.d to the consolidated financial statements (p. 548).	-	-	-
	2-8 Workers who are not employees		-	D	1
	2-9 Governance structure and composition	Main internal regulation and governance (p. 92); Corporate Governance chapter of the annual report. (p. 177) (4. Board of directors).	-	-	-
	2-10 Nomination and selection of the highest governance body	Corporate Governance chapter of the annual report (p. 177)(4.2 Board composition).	-	-	-
	2-11 Chair of the highest governance body	Corporate Governance chapter of the annual report (p. 177)(4.3 Board functioning and effectiveness).	-	-	-
	2-12 Role of the highest governance body in overseeing the management of impacts	Main internal regulation and governance (p. 92); Corporate Governance chapter of the annual report (p. 177)(4.3 Board functioning and effectiveness; 4.9 Responsible banking, sustainability and culture committee).	-	-	-
	2-13 Delegation of responsibility for managing impacts	Main internal regulation and governance (p. 92); Corporate Governance chapter of the annual report (p. 177)(4.3 Board functioning and effectiveness; 4.9 Responsible banking, sustainability and culture committee).	-	-	-

GRI Standard	Disclosure	Page	Omission	Reason	Explanation
GRI 2: GENERAL DISCLOSURES	2-14 Role of the highest governance body in sustainability reporting	Main internal regulation and governance (p. 92); Corporate Governance chapter of the annual report (p. 177)(4.3 Board functioning and effectiveness; 4.9 Responsible banking, sustainability and culture committee).	-	-	-
	2-15 Conflicts of interest	Business conduct (p.64); Corporate Governance chapter of the annual report (p. 177)(4.12 Related-party transactions and other conflicts of interest); Auditor's report and consolidated annual accounts (p. 519).	-	-	-
	2-16 Communication of critical concerns	Corporate Governance chapter of the annual report (p. 177)(sections 4.4 to 4.10); Auditor's report and consolidated annual accounts (p. 519).	-	-	-
	2-17 Collective knowledge of the highest governance body	Acting responsibly towards employees (p. 46) (3.3.2 Ensuring we have the right talent and skills); Corporate Governance chapter of the annual report (p. 177) (4.3 Board functioning and effectiveness).	-	-	-
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance chapter of the annual report (p. 177) (4.3 Board functioning and effectiveness).	-	-	-
	2-19 Remuneration policies	Acting responsibly towards employees (p. 46)(Performance review and remuneration subsection); Corporate Governance chapter of the Annual Report (p. 177)(6. Remuneration).	-	-	-
	2.20 Process to determine remuneration	Corporate Governance chapter of the Annual Report (p. 177)(4.7 Remuneration committee activities in 2023; 6. Remuneration).	-	-	-
	2-21 Annual total compensation ratio		-	C	-
	2-22 Statement on sustainable development strategy	Business model and strategy (p. 7); Our sustainability Strategy (p. 25)	-	-	-
	2-23 Policy commitments	Our sustainability Strategy (p. 25); 2023 Highlights (p. 26); Main internal regulation and governance (p. 92); Business conduct (p.64).	-	-	-
	2-24 Embedding policy commitments	Main internal regulation and governance (p. 92); Business conduct (p.64); Acting responsibly towards employees (p. 46); Acting responsibly towards customers (p. 55); Acting responsibly towards suppliers (p. 69); Supporting the green transition (p. 30); Responsible investment (p. 44). Corporate Governance chapter of the annual report (p. 177) (4. Board composition); Risk management and compliance chapter (p. 451)(7. Compliance and conduct risk).	-	-	-
	2-25 Processes to remediate negative impacts	Business conduct (p.64); Acting responsibly towards customers (p.55); Supporting the green transition (p. 30) (Risk management section). Risk management and compliance chapter (p. 451).	-	-	-
	2-26 Mechanisms for seeking advice and raising concerns	Our culture (p.24); Business conduct (p.64)(Ethical channels); Risk management and compliance chapter (p. 451)(7.2 Compliance and conduct risk management).	-	-	-

GRI Standard	Disclosure	Page	Omission	Reason	Explanation
GRI 2: GENERAL DISCLOSURES	2-27 Compliance with laws and regulations	<p>On 18 March 2021, a putative Pennsylvania-only class action filed in state court against Santander Consumer USA, Inc. (SC) alleging SC violated the Uniform Commercial Code and related Pennsylvania state law, and that the repossessions were not commercially reasonable and done in good faith and that SC failed to inform the consumer of a redemption and/or personal property fee that would have been required to have been paid in order to retrieve their personal affects. The parties agreed to settle this putative class action for US 14 million dollars. The court granted final approval of the settlement on 17 October 2023 and entered a final approval order of the class action settlement on 15 December 2023.</p> <p>In September 2021, the Financial Supervisory Authority of Norway (NFSA) carried out an IT/AML inspection at Santander Consumer Bank, AS Norwegian operations. The purpose of the inspection was to assess the bank's compliance with certain provisions in the Norwegian IT Regulation and AML legislation. In October 2022, NFSA issued its assessment establishing that SCB Nordics had deficiencies in complying with the Norwegian AML legislation and in November 2022 it imposed an administrative fine for an amount of EUR 15,000,000 which was paid in January 2023.</p> <p>See also GRI 206-1, 416-2, 417-2, 417-3, 418-1 and note 25 of annual consolidated accounts (p. 519)</p>	-	-	2
	2-28 Membership associations	Santander participates in industry associations representing financial activity in the countries where it operates, as the AEB in the case of Spain	-	-	-
	2-29 Approach to stakeholder engagement	Stakeholder engagement (p. 89); Materiality assessment (p. 28); Double materiality assessment and sources (p. 95).	-	-	-
	2-30 Collective bargaining agreements	Acting responsibly towards employees (p. 46) (Collective bargaining); Our progress in figures (p. 70).	-	-	-

GRI Standards - Topic-specific disclosures

See material and non-material issues in sections 1.1 '[Material sustainability matters](#)' and 9.2 '[Double Materiality Assessment methodology and sources](#)'

GRI standard	Disclosure	Location	Scope	Omission	Reason	Explanation
MATERIAL TOPICS						
GRI 3: MATERIAL TOPICS	3-1 Process to determine material topics	Materiality assessment (p. 28); Double materiality assessment and sources (p. 95).		-	-	-
	3-2 List of material topics	Materiality assessment (p. 28); Double materiality assessment and sources (p. 95).		-	-	-
CLIMATE CHANGE						
GRI 3 MATERIAL TOPICS	3-3 Management of material topics	Business model and strategy (p. 7). Supporting the green transition (p. 30). Business conduct (p. 64). Main internal regulation and governance (p. 92). Stakeholder engagement (p. 89). Risk, compliance and conduct management chapter (p. 451).	Group	-	-	-
GRI 201: ECONOMIC PERFORMANCE	201-2 Financial implications and other risks and opportunities due to climate change	Supporting the green transition (p. 30) (Governance, and risk management) Risk management and compliance chapter (p. 507) (10. Climate and environmental risk).	Group	-	-	-
GRI 302: ENERGY	302-1 Energy consumption within the organization	Supporting the green transition (p. 30) (Our environmental footprint). Our progress in figures (p. 70)(Environmental footprint).	Main countries of operation	-	-	4
	302-2 Energy consumption outside of the organization	Our progress in figures (p. 70)(Environmental footprint).	Main countries of operation	-	-	4
	302-3 Energy intensity	Our progress in figures (p. 70)(Environmental footprint).	Main countries of operation	-	-	4
	302-4 Reduction of energy consumption	Supporting the green transition (p. 30) (Our environmental footprint).	Main countries of operation	-	-	4
	302-5 Reductions in energy requirements of products and services		-	-	A	5
GRI 305: EMISSIONS	305-1 Direct (Scope 1) GHG emissions	Supporting the green transition (p. 30) (Our environmental footprint). Our progress in figures (p. 70) (Environmental footprint).	Main countries of operation	-	-	4
	305-2 Energy indirect (Scope 2) GHG emissions	Supporting the green transition (p. 30) (Our environmental footprint). Our progress in figures (p. 70) (Environmental footprint).	Main countries of operation	-	-	4
	305-3 Other indirect (Scope 3) GHG emissions	Supporting the green transition (p. 30) (Our environmental footprint). Our progress in figures (p. 70) (Environmental footprint).	Main countries of operation	-	-	4
	305-4 GHG emissions intensity	Our progress in figures (p. 70) (Environmental footprint)	Main countries of operation	-	-	4
	305-5 Reduction of GHG emissions	Supporting the green transition (p. 30) (Our environmental footprint). Our progress in figures (p. 70) (Environmental footprint)	Main countries of operation	-	-	4
	305-6 Emissions of ozone-depleting substances (ODS)		-	-	A	5
	305-7 Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions		-	-	A	5

GRI standard	Disclosure	Location	Scope	Omission	Reason	Explanation
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	Supporting the green transition (p. 30). Responsible investment (p. 44).	Group	-	-	-
FS11	Percentage of assets subject to positive and negative environmental or social screening	Business conduct (p. 64) (Environmental, social and climate change risk management); Responsible investment (p. 44).	Group	-	D	7
BUSINESS CONDUCT						
GRI 3 MATERIAL TOPICS	3-3 Management of material topics	Business model and strategy (p. 7). Business conduct (p. 64). Acting responsibly towards suppliers (p. 69); Main internal regulation and governance (p. 92). Stakeholder engagement (p. 89). Risk, compliance and conduct management chapter (p. 451).	Group	-	-	-
GRI 204: PROCUREMENT PRACTICES	204-1 Proportion of spending on local suppliers	Acting responsibly towards suppliers (p. 69).	Group (excluded Poland)	-	-	-
GRI 205: ANTI-CORRUPTION	205-1 Operations assessed for risks related to corruption	Risk, compliance and conduct management chapter (p. 451).	Group	-	-	-
	205-2 Communication and training about anti-corruption policies and procedures	Business conduct (p. 64) (Finance crime compliance). Risk, compliance and conduct management chapter (p. 451).	Group	-	-	-
	205-3 Confirmed incidents of corruption and actions taken	Business conduct (p. 64) (Ethical channel). Risk, compliance and conduct management chapter (p. 451).	Group	-	-	3
GRI 206: ANTI-COMPETITIVE BEHAVIOUR	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	The Bank has not received final sanctions for this concept. Additional information on litigation and other Group contingencies can be found in note 25 of Auditor's report and annual consolidated accounts.	Group	-	-	2
GRI 207: TAX	207-1 Approach to tax	Business conduct (p. 64) (Principles of action in tax matters).	Group	-	-	-
	207-2 Tax governance, control, and risk management	Business conduct (p. 64) (Principles of action in tax matters).	Group	-	-	-
	207-3 Stakeholder engagement and management of concerns related to tax	Business conduct (p. 64) (Principles of action in tax matters).	Group	-	-	-
	207-4 Country-by-country reporting	Our progress in figures (p. 70) (Country-by-country report); Auditor's report and 2023 annual consolidate accounts (p. 519) (Annex VI Annual banking report); Audit report and consolidated annual accounts 2022 (Annex VI Annual banking report).	Group	-	-	-
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT	308-1 New suppliers that were screened using environmental criteria	Acting responsibly towards suppliers (p. 69).	Group (excluded Poland)	-	-	-
	308-2 Negative environmental impacts in the supply chain and actions taken		-	-	D	6
GRI 414: SUPPLIER SOCIAL ASSESSMENT	414-1 New suppliers that were screened using social criteria	Acting responsibly towards suppliers (p. 69).	Group (excluded Poland)	-	-	-
	414-2 Negative social impacts in the supply chain and actions taken		-	-	D	6

GRI standard	Disclosure	Location	Scope	Omission	Reason	Explanation
GRI 415: PUBLIC POLICY	415-1 Political contributions	The ties, membership or collaboration with political parties or with other kind of entities, institutions or associations with public purposes, as well as contributions or services to them, should be done in a way that can assure the personal character and that avoids any involvement of the Group, as indicated in Grupo Santander General Code of Conduct. In 2023 we made a contribution of \$78,684 to the US Political Action Committee. Business conduct (p. 64)(Relations with political parties)	Group	-	-	-
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures	Every two years, the Group's Internal audit function reviews the corporate Responsible banking function's governance, materiality analyses, control, procedures and risk culture. If it spots areas for improvement, it will give recommendations to mitigate any operational risks from the Responsible banking function's procedures. The last audit in 2023 ended with an overall rating of 'need improvement'.	Group	-	-	-
CONSUMERS AND END-USERS						
GRI 3 MATERIAL TOPICS	3-3 Management of material topics	Business model and strategy (p. 7). Acting responsibly towards our customers (p. 55). Main internal regulation and governance (p. 92). Stakeholder engagement (p. 89). Economic and financial review (p. 325).	Group	-	-	-
GRI 416: CUSTOMER HEALTH AND SAFETY	416-1 Assessment of the health and safety impacts of product and service categories	Acting responsibly towards our customers (p.55). The Commercialization Committee evaluates potential impact of all products and services, previously they are launched onto the market. These impacts include, among others, clients security and compatibility with other products.	Group	-	-	-
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	The Bank has not received final sanctions for this concept. Additional information on litigation and other Group contingencies can be found in note 25 of Auditor's report and annual consolidated accounts.	Group	-	-	2
GRI 417: MARKETING AND LABELLING	417-1 Requirements for product and service information and labelling	Acting responsibly towards our customers (p. 55)(Consumer protection). Responsible business practices. The Commercialization Committee evaluates potential impact of all products and services, previously they are launched onto the market. These impacts include, among others, clients security and compatibility with other products. In addition, the Bank is member of the Association for Commercial Self- Regulation (Autocontrol) assuming the ethical commitment to be responsible regarding the freedom of commercial communication.	Group	-	-	-
	417-2 Incidents of non-compliance concerning product and service information and labelling	The Bank has not received final sanctions for this concept. Additional information on litigation and other Group contingencies can be found in note 25 of Auditor's report and annual consolidated accounts.	Group	-	-	2
	417-3 Incidents of non-compliance concerning marketing communications	The Bank hasn't received any sanctions concerning this matter. Additional information on litigation and other Group contingencies can be found in note 25 of Auditor's report and annual consolidated accounts..	Group	-	-	2
GRI 418: CUSTOMER PRIVACY	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	The Bank hasn't received any sanctions concerning this matter. Additional information on litigation and other Group contingencies can be found in note 25 of Auditor's report and annual consolidated accounts.	Grupo	-	-	2
FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/ SME/ large) and by sector	Acting responsibly towards customers (p. 55). Stakeholder engagement (p. 89) (Helping society tackle global challenges: 2030 agenda section). Our progress in figures (p. 70).	Group	-	-	-

GRI standard	Disclosure	Location	Scope	Omission	Reason	Explanation
FS15	Policies for the fair design and sale of financial products and services	Acting responsibly towards customers (p. 55) (Consumer protection).	Group	-	-	-
OTHER NON-MATERIAL TOPICS ON WHICH INFORMATION IS REPORTED FOR GREATER TRANSPARENCY						
OWN WORKFORCE						
GRI 202: MARKET PRESENCE	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Our progress in figures (p. 70).	Group	Req. b	D	1
	202-2 Proportion of senior management hired from the local community	Our progress in figures (p. 70). The Group Corporate Human Resources Model aims to attract and retain the best professionals in the countries in which it operates.	Group	-	-	-
GRI 401: EMPLOYMENT	401-1 New employee hires and employee turnover	Acting responsibly towards employees (p. 46)(Talent. Attracting talent). Our progress in figures (p. 70).	Group	-	-	-
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Benefits detailed in 'Acting responsibly towards employees' (p. 46) (section 'Corporate benefits') are regarding only full-time employees. Corporate Governance chapter (p. 177)	Group	-	-	-
	401-3 Parental leave	Information unavailable.	-	-	D	8
GRI 403: OCCUPATIONAL HEALTH AND SAFETY	403-1 Occupational health and safety management system	Banco Santander has occupational health and safety management systems in place in all the geographies in which it operates, complying with the legal requirements of each country regarding occupational risk prevention.	Group	-	-	-
	403-2 Hazard identification, risk assessment, and incident investigation	Acting responsibly towards employees (p. 46) (Employee experience. Employee health and wellbeing).	Group	-	-	-
	403-3 Occupational health services	Acting responsibly towards employees (p. 46) (Employee experience. Employee health and wellbeing).	Group	-	-	-
	403-4 Worker participation, consultation, and communication on occupational health and safety	At Banco Santander SA, the percentage of Representation in the Security Committee is 100%.	Banco Santander S.A. and SCF	-	-	-
	403-5 Worker training on occupational health and safety	Acting responsibly towards employees (p. 46) (Employee experience. Employee health and wellbeing).	Group	-	-	-
	403-6 Promotion of worker health	Acting responsibly towards employees (p. 46) (Employee experience. Employee health and wellbeing).	Group	-	-	-
	403-8 Workers covered by an occupational health and safety management system	100% of Banco Santander own employees are covered by health and safety management systems at work.	Group	-	-	-
	403-9 Work-related injuries	Acting responsibly towards employees (p. 46) (Employee experience. Employee health and wellbeing). Our progress in figures (p. 70).	Group	Req. b	D	1
	403-10 Work-related ill health	Our progress in figures (p. 70).	Group	Req. b	D	1

GRI standard	Disclosure	Location	Scope	Omission	Reason	Explanation
GRI 404: TRAINING AND EDUCATION	404-1 Average hours of training per year per employee	Acting responsibly towards employees (p. 46) (Talent. Attracting talent). Our progress in figures (p. 70)	Group	-	-	-
	404-2 Programs for upgrading employee skills and transition assistance programs	Banco Santander offers management programmes and continuous training skills that foster the employees' employability and that, sometimes, help them manage the end of their professional careers. Acting responsibly towards employees (p. 46) (Talent. Developing talent).	Group	-	-	-
	404-3 Percentage of employees receiving regular performance and career development omissions.	Acting responsibly towards employees (p. 46) (Working conditions and social dialogue. Performance review and remuneration). Santander regularly appraises employee performance; at the end of 2023, 74.2% of our employees had a performance review in which their contribution to Santander's results, their alignment with risk management and our TEAMS corporate culture were evaluated. Additionally, 14,065 retail branch employees in Mexico will have their performance review during the first quarter of 2024. In total, 80.8% of the workforce receives a MyContribution.	Group	-	-	-
GRI 405: DIVERSITY AND EQUAL OPPORTUNITIES	405-1 Diversity of governance bodies and employees	Acting responsibly towards employees (p. 46) (Employee experience. Diversity, equity and Inclusion). Our progress in figures (p. 70). Corporate governance chapter of the Annual Report (p. 177).	Group	-	-	-
	405-2 Ratio of basic salary and remuneration of women to men	Acting responsibly towards employees (p. 46) (Employee experience. Diversity, equity and Inclusion). Our progress in figures (p. 70).	Group	-	-	-
GRI 406: NON-DISCRIMINATION	406-1 Incidents of discrimination and corrective actions taken	Business conduct (p. 64). Acting responsibly towards employees (p. 46) (Employee experience. Active listening). Risk management and compliance chapter (p. 451).	Group	-	-	-
AFFECTED COMMUNITIES						
GRI 203: INDIRECT ECONOMIC IMPACT	203-1 Infrastructure investments and services supported	Financial health and inclusion (p. 57). Supporting to communities (p. 61)	Group	-	-	-
	203-2 Significant indirect economic impacts	Financial health and inclusion (p. 57). Supporting to communities (p. 61)	Group	-	-	-
GRI 411: RIGHTS OF INDIGENOUS PEOPLE	411-1 Incidents of violations involving rights of indigenous people	The Bank ensures, through social and environmental risk assessments in their financing operations under the Equator Principles, that no violations of the indigenous peoples' rights occur in such operations. In 2023, a total of 41 operations were evaluated in this respect.	Group	-	D	7
GRI 413: LOCAL COMMUNITIES	413-1 Operations with local community engagement, impact assessments, and development programs	Financial health and inclusion (p. 57). Supporting communities (p. 61) Grupo Santander has several programmes in its main countries aim to encourage development and participation of local communities, in which it is carried out an assessment on people helped, scholarships given through agreement with Universities, among others. Moreover, in the last years the Group has developed different products and services offering social and/or environmental added value adapted to each country where Santander develops its activities.	Group	-	-	-
	413-2 Operations with significant actual and potential negative impacts on local communities	Business conduct (p. 64) (Environmental, social and climate change risk management).	Group	-	D	7
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	Financial health and inclusion (p. 57).	Group	-	-	-
FS13	Access points in low-populated or economically disadvantaged areas by type	Financial health and inclusion (p. 57).	Group	-	-	-

GRI standard	Disclosure	Location	Scope	Omission	Reason	Explanation
FS14	Initiatives to improve access to financial services for disadvantaged people	Financial health and inclusion (p. 57).	Group	-	-	-
FS16	Initiatives to enhance financial literacy by type of beneficiary	Financial health and inclusion (p. 57).	Group	-	-	-

OTHER GRI (NON-MATERIAL) TOPICS ON WHICH THE BANK REPORTS ON A VOLUNTARY BASIS FOR GREATER TRANSPARENCY

GRI 201: ECONOMIC PERFORMANCE		€ million	2023	Group	-	-	-
		Economic value generated¹	57,716				
		Gross income	57,423				
		Net loss on discontinued operations	0				
		Gains/(losses) on disposal of assets not classified as non-current held for sale	313				
		Gains/(losses) on disposal of assets not classified as discontinued operations	-20				
		Economic value distributed	32,807				
		Payments to providers of capital (dividends)	1,298				
		Operating costs (except taxes)	7,945				
		Employee wages and benefits	13,726				
		Payments to government ²	9,664				
		CSR investment	174				
		Economic value retained (economic value generated less economic value distributed)	24,909				
	1. Gross income plus net gains on asset disposals. 2. Our progress in figures (p. 70) (8.1 Tax contribution) provides additional information on the taxes paid. 3. For comparative issues see Auditor's report and 2022 annual consolidate accounts.						
	201-1 Direct economic value generated and distributed						
	201-3 Defined benefit plan obligations and other retirement plans	The liability for provisions for pensions and similar obligations at 2023 year-end amounted to EUR 2,225 million (p. 531). Endowments and contributions to the pension funds in the 2023 financial year have amounted to EUR 352 million. The detail may be consulted in Auditor's report and annual consolidated accounts (p. 547) (Note 47.a to annual consolidated accounts). For comparative purposes see Audit report and consolidated annual accounts 2022.	Group	-	-	-	
	201-4 Financial assistance received from government	The Bank has not received significant subsidies or public aids during 2022 and 2023. The detail may be consulted in Annual banking report, section e) Public subsidies (p. 820).	Group	-	-	-	
GRI 301: MATERIALS	301-1 Materials used by weight or volume	Supporting the green transition (p. 30) (Our environmental footprint). Our progress in figures (p. 70) (Environmental footprint).	Main countries of operation	-	-	4	
GRI 303: WATER AND EFFLUENTS	303-5 Water consumption	Banco Santander manages its water consumption and supply in accordance with local limitations. In addition, the Bank collects its water from the public water supply and discharges the used water to the public network. Our progress in figures (p. 70) (Environmental footprint).	Main countries of operation	-	-	4	

GRI standard	Disclosure	Location	Scope	Omission	Reason	Explanation
GRI 304: BIODIVERSITY	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		Group	-	A	5
	304-2 Significant impacts of activities, products, and services on biodiversity	Supporting the green transition (p. 30) (Nature and biodiversity)	Group	-	-	-
	304-3 Habitats protected or restored		Group	-	A	5
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations		Group	-	A	5
GRI 306: WASTE	306-1 Waste generation and significant waste-related impacts	Supporting the green transition (p. 30)	Main countries of operation	-	-	4
	306-2 Management of significant waste-related impacts	Supporting the green transition (p. 30)	Main countries of operation	-	-	4
	306-3 Waste generated	Supporting the green transition (p. 30) (Our environmental footprint). Our progress in figures (p. 70) (Environmental footprint)	Main countries of operation	-	-	4
	306-4 Waste diverted from disposal	Our progress in figures (p. 70) (Environmental footprint)	Main countries of operation	-	-	4
	306-5 Waste directed to disposal	Our progress in figures (p. 70) (Environmental footprint)	Main countries of operation	-	-	4
FS1	Policies with specific environmental and social components applied to business lines	Main internal regulation and governance (p. 92). Supporting the green transition (p. 30) (Corporate governance). Business conduct (p. 64) (Environmental, social and climate change risk management).	Group	-	-	-
FS2	Procedures for assessing and screening environmental and social risks in business lines	Main internal regulation and governance (p. 92). Supporting the green transition (p. 30) (Corporate governance). Business conduct (p. 64) (Environmental, social and climate change risk management).	Group	-	-	-
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements of transactions	Main internal regulation and governance (p. 92). Supporting the green transition (p. 30). Business conduct (p. 64) (Environmental, social and climate change risk management).	Group	-	-	-
FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	Acting responsibly towards employees (p. 46). (Talent).	Group	-	-	-
FS5	Interactions with clients/ investees/business partners regarding environmental and social risks and opportunities	Our culture (p. 24). Stakeholder engagement (p. 89) (Joint initiatives to promote our agenda). Shareholder value (p. 27). Risk management and compliance chapter (p. 451).	Group	-	-	-

GRI standard	Disclosure	Location	Scope	Omission	Reason	Explanation
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues	Conduct and ethical behaviour (p. 64) (Environmental, social and climate change risk management).	Group	-	D	7
FS12	Voting policy(ies) applied to environmental or social issues for shares over which the reporting organization hold the right to vote shares or advises on voting	Grupo Santander has no voting policies relating to social and/or environmental matters for entities over which acts as an advisor. The Santander Employees Pension Fund does have a policy of formal vote in relation to social and environmental aspects, for shareholder meetings of the entities over which it has voting rights.	Group	0	0	0

A. Not applicable; B. Legal prohibitions; C. Confidentiality constraints; D. Information unavailable / incomplete

1. Information unavailable. Given the size of the organisation and the rotation of outsourced services, Banco Santander does not currently have a register of non-employees. In the medium and long term the Group will evaluate the possibility of reporting this indicator. 2. According to a materiality criteria, information included refers to judicial, administrative or regulatory proceedings and other claims that are concluded with unfavorable judgments, fines or sanctions greater than Euro 1 million, as well as those judicial, administrative or regulatory proceedings and other claims that are concluded with unfavorable judgments, fines or sanctions between Euro 100.000 euros and Euro 1 million euros but which have a "high" reputational impact according to our risk assessment. Only those cases where sanctions or fines have been confirmed in administrative proceedings or judicial proceedings where an unfavorable judgment has been rendered in first instance are reported. Once a matter is reported following the explained criteria, no additional updates will be reported until the sanctions, fines or judgments are final. Class actions and/or mass proceedings are not reported. Judicial, administrative, or regulatory proceedings and other claims that have already been included in note 25 of the consolidated annual accounts are not reported. 3. Information is provided on the total number of reports received through Canal Abierto related to gifts and invitations/corruption and bribery. 4. The scope and limitations of this indicator are described on Our progress in figures. 5. Not applicable due to the nature of the Group's financial business, geographies and sectors of operation. It should be noted that all of the Bank's activities are carried out in urban areas. 6. A new ESG approval methodology has been implemented which will allow us to classify all our suppliers according to their risk level by 2024, evaluating them in each case according to their criticality. 7. Information is only provided on the number of project finance deals of Santander's Bank, which have been analysed regarding social and environmental risks in Equator Principles' frame. 8. Given the size of the organization and the turnover of outsourced services, Banco Santander does not currently have a record of employees who have requested and taken parental leave during 2023. In the medium and long term the Group will evaluate the possibility of reporting this indicator.

10.5 Sustainability Accounting Standards Board (SASB) content index

This is the second year in which Santander has decided to report in accordance with the Sustainability Accounting Standards Board (SASB), following its Industry Standards Version 2018-10 issue.

The relevant standards disclosed in this section have been selected according to a materiality-driven analysis, focusing on the industries that are most closely aligned with our businesses within the 'Financials sector': Asset Management & Custody Activities (FN-AC), Commercial Banks (FN-CB), Consumer Finance (FN-CF), Investment Banking & Brokerage (FN-IB).

Acknowledging that SASB has a US-based approach, we have done our best efforts for translating it to our European standards.

Currently, we do not disclose all metrics included in the aforementioned industry standards, but we will continue to evaluate additional metrics in the future, enhancing our reporting under SASB framework for meeting the needs of our growing base of stakeholders and investors.

Unless otherwise is noted, all data and descriptions are reported for Grupo Santander, if applicable, on a consolidated basis, and not just the segments relevant to the particular industry. The information will refer to the 2023 fiscal year, unless otherwise is specified.

Sustainability Accounting Metrics

Topic	Industry	Accounting Metric	Code	Response
Data Security	Commercial Banks	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected.	FN-CB-230a.1	Refer to 'Litigation and other matters' in the note 25 of the Consolidated accounts in the Auditor's report and consolidated financial statements (p. 519).
	Consumer Finance		FN-CF-230a.1	
	Commercial Banks	Description of approach to identifying and addressing data security risks.	FN-CB-230a.2	Refer to 'Risk Pro' in 'Our culture' section of this chapter (p. 24); and to 'Relevant mitigation actions' in section 6.2 of 'Risk, compliance and conduct management chapter' (p. 451).
	Consumer Finance		FN-CF-230a.3	
Financial Inclusion & Capacity Building	Commercial Banks	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development.	FN-CB-240a.1	Refer to 5. 'Acting responsibly towards customers' section of this chapter (p. 55). For more detail see note 10. 'Loans and advances to customers' in the Auditor's report and consolidated financial statements (p. 519). Additionally, all the information related to microfinance programmes are available on the 5.3 'Financial health and inclusion' section of this report (p. 57).
	Commercial Banks		FN-CB-240a.2	
	Commercial Banks	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers.	FN-CB-240a.3	Refer to 5.3 'Financial health and inclusion' section of this chapter (p. 57).
	Commercial Banks		FN-CB-240a.4	
		Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers.		In 2023, Grupo Santander has financially included 1.8 million people. For further information refer to ' 5.3 Financial health and inclusion ' section of this chapter (p. 57).

Topic	Industry	Accounting Metric	Code	Response
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	Commercial Banks	Commercial and industrial credit exposure, by industry.	FN-CB-410a.1	Refer to 'Concentration risk' in section 3.5 'Other credit risk details' of the Risk Management and compliance chapter (p. 451).
	Commercial Banks	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis.	FN-CB-410a.2	Refer to 7.3 'Environmental, social and climate change risk management' on business conduct section (p. 64), and the 10. 'ESG risk factors' (p. 507).section of the Risk management and compliance chapter For further information see our 'General Sustainability Policy and our 'Environmental, social & climate change risk management Policy', both available on our corporate website.
Incorporation of Environmental, Social, and Governance Factors in investment Banking & Brokerage Activities	Investment Banking & Brokerage	(1) Number and (2) total value of investments and loans incorporating integration of environmental, social, and governance (ESG) factors, by industry.	FN-IB-410a.2	Refer to 2. 'Supporting the green transition' section of this chapter (p. 30).
	Investment Banking & Brokerage	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment banking and brokerage activities.	FN-IB-410a.3	Refer to 2. 'Supporting the green transition' section of this chapter (p. 30). For further information see our 'General Sustainability Policy', and our 'Environmental, social & climate change risk management policy', both available on our corporate website.
Business Ethics	Asset Management & Custody Activities Commercial Banks Investment Banking & Brokerage	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations.	FN-AC-510a.1 FN-CB-510a.1 FN-IB-510a.1	Refer to GRI 206-1 discloses legal actions for anticompetitive behaviour, anti-trust, and monopoly practices. For further information, refer to 'Litigation and other matters' section on the Auditor's report and consolidated financial statements (p. 519).
	Asset Management & Custody Activities Commercial Banks Investment Banking & Brokerage	Description of whistleblower policies and procedures.	FN-AC-510a.2 FN-CB-510a.2 FN-IB-510a.2	Refer to 7.2 'Ethical Channels' in the section 4. 'Acting responsibly towards employees' of this chapter (p. 46). For further information, see our 'General Code of Conduct', available on our website.
Systemic Risk Management	Commercial Banks Investment Banking & Brokerage	Global Systemically Important Bank (G-SIB) score, by category	FN-CB-550a.1. FN-IB-550a.1.	According to the '2023 list of global systemically important banks (G-SIBs)' released by the Financial Stability Board, Santander's G-SIB buffer is 1.0 %. (G-SIBs as of November 2023). According to the G-SIB Scores Dashboard from the Basel Committee on Banking Supervision (BCBS), Grupo Santander's scores are (end-2022 data): <ul style="list-style-type: none"> • Score: 190 • Complexity: 102 • Cross-jurisdictional: 483 • Interconnectedness: 147 • Size: 174 • Substitutability: 42
	Commercial Banks Investment Banking & Brokerage	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	FN-CB-550a.2. FN-IB-550a.2.	Refer to 'Capital planning and stress tests' in the section 3.5 'Capital management and adequacy' (p. 362) of the Economic and Financial chapter.

Topic	Industry	Accounting Metric	Code	Response
Employee Diversity & Inclusion	Commercial Banks, Investment Banking & Brokerage	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	FN-AC-330a.1 FN-IB-330a.1	Refer to 8. 'Our progress in figures' section of this chapter (p. 70). For further information, refer to 'Diversity & Inclusion' section of 4. 'Acting responsibly towards employees' this chapter (p. 46). For further information about our diversity and inclusion principles, see our 'Corporate Culture Policy', available on our corporate website.
Activity metrics	Commercial Banks	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business.	FN-CB-000.A	Refer to ' Consolidated annual accounts ' in Auditor's report and consolidated financial statements (p. 519).
	Commercial Banks	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate.	FN-CB-000.B	Refer to ' Consolidated annual accounts ' in Auditor's report and consolidated financial statements (p. 519).

10.6 Stakeholder Capitalism Metrics content index

Stakeholder Capitalism Metrics

Theme	Metric	Response
Principles of governance		
Governing Purpose	Setting Purpose: The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental, and social issues. Corporate purpose should create value for all stakeholders, including shareholders.	'Business model and strategy' (p. 7) chapter reflects how we help people and businesses prosper whilst adopting ESG practices.
	Purpose-led management: How the company's stated purpose is embedded in company strategies, policies, and goals.	Additionally, in 'Our sustainability strategy' (p. 25) section in 'Responsible banking' chapter, we detail in deep how we work to be a more sustainable bank.
Quality of Governing Body	Governing Body Composition: Composition of the highest governance body and its committees by: competencies relating to economic, environmental, and social topics; executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; stakeholder representation.	Refer to the 'Board of directors' section in 'Corporate governance' chapter (p. 177).
	Progress against strategic milestones: Disclosure of the material strategic economic, environmental, and social milestones expected to be achieved in the following year, such milestones achieved from the previous year, and how those milestones are expected to or have contributed to long-term value.	Refer to 'Santander's support for society' (p. 20), '2023 Highlights' (p. 20) and 'Our sustainability strategy' (p. 25) sections in 'Responsible banking' chapter.
	Remuneration: 1. How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental and social topics, as connected to the company's stated purpose, strategy, and long-term value. 2. Remuneration policies for the highest governance body and senior executives for the following types of remuneration: Fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses, and deferred or vested shares, Sign-on bonuses or recruitment incentive payments, termination payments, clawback and retirement benefits.	1. Refer to 'Performance review and remuneration' in 'Acting responsibly towards employees' section (p. 46) in 'Responsible banking' chapter. 2. Refer to 'Remuneration' section (p. 252) in 'Corporate governance' chapter.
Ethical Behavior	Anti-corruption: 1. Total percentage of governance body members, employees and business partners who have received training on the organization's anti-corruption policies and procedures, broken down by region. 2. (a) Total number and nature of incidents of corruption confirmed during the current year but related to previous years and (b) Total number and nature of incidents of corruption confirmed during the current year, related to this year. 3. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption.	1. Refer to Financial Crime Compliance on 7.2 'Compliance and conduct risk management' section (p. 497) in 'Risk, compliance and conduct management' chapter. Refer also to GCC in Conduct and 'Ethical behaviour' section in 'Responsible banking' chapter. All our employees receive mandatory training on the GCC on an annual basis. 2. Refer to 'Litigation and other matters' in the note 25.e (p. 639) of the consolidated accounts. 3. Refer to Financial Crime Compliance on 7.2 'Compliance and conduct risk management' section (p. 497) in 'Risk, compliance and conduct management' chapter.
	Protected ethics advice and reporting mechanisms: A description of internal and external mechanisms for: 1. Seeking advice about ethical and lawful behaviour and organizational integrity 2. Reporting concerns about unethical or unlawful behaviour and organizational integrity	Refer to pages 13-14 in our Code of Conduct (available in our corporate website). In addition see 7.2 'Compliance and conduct risk management' (p. 497) in 'Risk and compliance management' section on 'Risk, compliance and conduct management' chapter. And 'Ethical channels' on 'Business conduct' section (p. 64) in 'Responsible banking' chapter.

Theme	Metric	Response
	Monetary losses from unethical behaviour: Total amount of monetary losses as a result of legal proceedings associated with: fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or violations of other related industry laws or regulations.	Refer to 'Litigation and other matters' in the note 25.e (p. 639) of the consolidated accounts.
	Alignment of strategy and policies to lobbying: The significant issues that are the focus of the company's participation in public policy development and lobbying; the company's strategy relevant to these areas of focus; and any differences between its lobbying positions, purpose, and any stated policies, goals, or other public positions.	Refer to 'Principles of action in our relationship with political parties' in ' Business conduct ' section in 'Responsible banking' chapter (p. 64) The Financing of political parties policy is available on our corporate website.
Risk and Opportunity Oversight	Integrating risk and opportunity into business process: Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental, and social issues, including climate change and data stewardship.	Refer to 'Risk and opportunities' section in ' Risk, compliance and conduct management ' chapter (p. 451). In addition, we report our progress in implementing TCFD recommendations (including Risk management) in 'Responsible banking' chapter (p. 30). Our Environmental, social and climate change risk policy is available at our corporate website.
Stakeholder Engagement	Material issues impacting stakeholders: A list of the topics that are material to key stakeholders and the company, how the topics were identified, and how the stakeholders were engaged.	Refer to ' Materiality assessment ' (p. 28) and ' Double materiality assessment and sources ' (p. 95) section in 'Responsible banking' chapter. Refer also to ' Our sustainability strategy ' (p. 25).
Planet		
Climate Change	Greenhouse Gas (GHG) emissions: For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tonnes of carbon dioxide equivalent (tCO ₂ e) GHG Protocol Scope 1 and Scope 2 emissions. Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.	Refer to Environmental footprint 2022-2023 table in ' Our progress in figures ' section in 'Responsible banking' chapter (p. 70). <ul style="list-style-type: none"> Total emissions (market based): 172,711 T CO₂e Scope 1: 25,755 T CO₂e Scope 2 – market based: 21,516 T CO₂e Scope 2 – location based: 205,292 T CO₂e Scope 3: 125,441 T CO₂e
	TCFD implementation: Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most three years for full implementation. Disclose whether you have set, or have committed to set GHG emissions targets that are in line with the goals of the Paris Agreement — to limit global warming to well-below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C — and to achieve net-zero emissions before 2050.	Refer to ' Supporting the green transition ' (p. 30) and ' TCFD content index ' (p. 170) sections in 'Responsible banking' chapter, where we report our progress in implementing TCFD recommendations. In 2020, we became carbon neutral in our own operations. In 2021, we set our commitment to be net-zero in carbon emissions by 2050, and we set our first decarbonization targets. In addition, refer to 'Climate and environmental risk' section (p. 507) in 'Risk management and compliance' chapter.
	Paris-aligned GHG emissions targets: Define and report progress against time-bound science-based GHG emissions targets that are in line with the goals of the Paris Agreement — to limit global warming to well-below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C. This should include defining a date before 2050 by which you will achieve net-zero greenhouse gas emissions and interim reduction targets based on the methodologies provided by the Science Based Targets initiative if applicable.	Refer to ' Supporting the green transition ' section (p. 30) of the 'Responsible banking' chapter. We set our first decarbonization targets. We're committed to aligning our power generation portfolio with the Paris Agreement by 2030. We are also ending financial services to power generation clients by 2030 if over 10% of their revenue depends on thermal coal.
Fresh water availability	Water consumption and withdrawal in water-stressed areas: Report for operations where material, mega litres of water withdrawn, mega litres of water consumed and the percentage of each in regions with high or extremely high baseline water stress according to WRI Aqueduct water risk atlas tool. Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.	Refer to Environmental footprint 2022-2023 table in ' Our progress in figures ' section (p. 70) in 'Responsible banking' chapter. In 2022, Santander consumed 1,858,645 m ³ from the public network, equalling a consumption of 9.56 m ³ /employee. (Information is provided exclusively on water withdrawal from the public network). We do not disclose data on water stress, due to our financial activities generating negligible impacts.
Nature Loss	Land use and ecological sensitivity: Report the number and area (in hectares) of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas (KBA).	Refer to Nature and biodiversity on ' Supporting the green transition ' section (p. 70) of the 'Responsible banking' chapter.

Theme	Metric	Response
Single-use plastics	Report wherever material along the value chain: estimated metric tonnes of single-use plastic consumed. Disclose the most significant applications of single-use plastic identified, the quantification approach used and the definition of single-use plastic adopted.	Refer to Our environmental footprint on 'Supporting the green transition' section (p. 30) in 'Responsible banking' chapter. In 2021 we have met our goal of eliminating unnecessary single-use plastics from our buildings and branches. In 2022 we also continue not providing single-use plastics in our buildings and offices.
Prosperity		
Employment and wealth generation	Absolute number and rate of employment: 1. Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region. 2. Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region.	Refer to 'Our progress in figures' section (p. 70) in 'Responsible banking' chapter. 1. See: • Table 22.1. Distribution of new hires by age bracket • Table 23. Distribution of new hires by gender 2. See: • Table 25. External turnover rate by gender • Table 26. External turnover rate by age bracket
	Economic Contribution: 1. Direct economic value generated and distributed (EVG&D) — on an accrual basis, covering the basic components for the organization's global operations, ideally split out by: a. Revenue b. Operating Costs c. Employee wages and benefits d. Payments to providers of capital e. Payments to government f. Community Investment. 2. Financial assistance received from the government. Total monetary value of financial assistance received by the organization from any government during the reporting period.	1. Refer to Global Reporting Initiative (GRI) content index in 'Responsible banking' chapter, and more specifically to GRI 201.1 Direct economic value generated and distributed (p. 151). • Economic value generated in 2023: EUR 57,716 million • Economic value distributed: EUR 31,476 million • Economic value retained EUR 26,240 million 1.a Revenue: EUR 57,423 million 1.b Operating cost: EUR 25,425 million 1.c Employee wages and benefits: EUR 13,726 million 1.d Payments to providers of capital: N/A 1.e Payments to government: EUR 9,664 million (total taxes) 1.f Community investment: EUR 174 million Further detail for 1a-c refer to Group financial performance section on Economic and financial review chapter (p. 334). Further detail for 1d refer to 3.3 Dividends in Shareholders section on Corporate governance chapter (p. 195). Further detail for 1e refer to 'Total taxes paid' table on 8. 'Our progress in figures' in 'Responsible banking' chapter (p. 70). 2. Grupo Santander did not receive significant public subsidies in 2023. Refer to 'Annual banking report', e) (p. 820).
Wealth creation and Employment	Financial investment contribution disclosure: 1. Total capital expenditures (CapEx) minus depreciation supported by narrative to describe the company's investment strategy. 2. Share buybacks plus dividend payments supported by narrative to describe the company's strategy for returns of capital to shareholders.	1. Refer to note 16 Tangible assets (p. 613) – For own use section in 'Auditor's report' in the consolidated financial statements. Additionally, refer to - Operating expenses data (p. 325) in 'Economic and financial review' chapter. - Note 47. Other general administrative expenses (p. 696) of consolidated annual accounts. 2. Refer to 3. 'Shareholders. Engagement and general meeting' section (p. 177) in 'Corporate governance' chapter.
Community and social vitality	Total tax paid: The total global tax borne by the company, including corporate income taxes, property taxes, non- creditable VAT and other sales taxes, employer-paid payroll taxes and other taxes that constitute costs to the company, by category of taxes.	Refer to 'Total taxes paid' table on 'Our progress in figures' section in 'Responsible banking' chapter (p. 70).
Additional tax remitted	The total additional global tax collected by the company on behalf of other taxpayers, including VAT and employee-related taxes that are remitted by the company on behalf of customers or employees, by category of taxes.	Refer to 'Total taxes paid' table on 'Our progress in figures' section in 'Responsible banking' chapter (p. 70).
Total tax paid by country for significant locations	Total tax paid and, if reported, additional tax remitted, by country for significant locations.	Refer to 'Total taxes paid' table on 'Our progress in figures' section in 'Responsible banking' chapter (p. 70).

Theme	Metric	Response
Innovation in better products and services	Total R&D expenses (\$): Total costs related to research and development.	Innovation and technological development are strategic pillars of Grupo Santander. As in previous years, the European Commission's 2023 EU Industrial R&D Investment Scoreboard (based on 2022 data) recognized our technological effort. We were the first Spanish bank and the second best bank globally in R&D investment. The equivalent investment in R&D&I to that considered in the ranking was EUR 2,197 million. Refer to 'Research, development and innovation (R&D&I)' section in 'Economic and financial review' (p. 427). Additional information refer to note 18 in 'Auditor's report and consolidated financial statements' (p. 619)
People		
Dignity and equality	Diversity and inclusion (%): Percentage of employees per employee category, per age group, gender and other indicators of diversity (e.g. ethnicity).	Refer to ' Our progress in figures ' section (p. 70) of the Responsible Banking chapter. Additional information on how we promote DEI refer to 'Diversity, equity and inclusion' in ' Acting responsibly towards employees ' section (p. 46) in 'Responsible banking' chapter.
	Pay equality: Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men; minor to major ethnic groups; and other relevant equality areas.	Gender and equal pay gap figures match 2021 trends, on the back of a firm commitment and ambitious action plans assumed throughout the Group (0%). Refer to 'Equal pay' in ' Acting responsibly towards employees ' section (p. 46) on 'Responsible banking' chapter.
	Wage level (%): 1. Ratios of standard entry-level wage by gender compared to local minimum wage 2. Ratio of CEO's total annual compensation to median total annual compensation of all employees (excluding the CEO)	1. Refer to ' Our progress in figures ' section (p. 70) in 'Responsible banking' chapter. Table 29 'Ratio between the Bank's minimum annual salary and the legal minimum annual salary by country and gender 2023'. We take as a reference the Bank's minimum annual salary in each country. 2. Refer to 6. ' Remuneration section ' (p. 252) on 'Corporate governance' chapter.
	Risk for incidents of child, forced or compulsory labor: An explanation of the operations and suppliers considered to have significant risk for incidents of child labor, forced or compulsory labor. Such risks could emerge in relation to type of operation (such as manufacturing plant) and type of supplier; or countries or geographic areas with operations and suppliers considered at risk.	Refer to 'Protecting human rights' in 'Environmental, social and climate change risk management' on ' Business conduct ' section (p. 64) of the 'Responsible banking' chapter. We have zero tolerance towards employee, customer and supplier discrimination, forced labour and child exploitation. We respect the provisions of the ILO convention and the legal minimum working aged established in countries. Further detail on our Responsible banking and sustainability policy, available at our corporate website.
	Discrimination and Harassment Incidents (#) and the Total Amount of Monetary Losses (\$): Number of discrimination and harassment incidents, status of the incidents and actions taken and the total amount of monetary losses as a result of legal proceedings associated with (1) law violations and (2) employment discrimination.	Refer to 'Litigation and other matters' in note 25.e of the 'Auditor's report and consolidated financial statements' (p. 639).

Theme	Metric	Response
	Freedom of Association and Collective Bargaining at Risk (%): 1. Percentage of active workforce covered under collective bargaining agreements 2. An explanation of the assessment performed on suppliers for which the right to freedom of association and collective bargaining is at risk including measures taken by the organization to address these risks.	1. Refer to ' Our progress in figures ' section (p. 70) in 'Responsible banking' chapter. - Table 21. Coverage of the workforce by collective agreement
Health and well being	Health and Safety (%): 1. The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries, main types of work-related injury; and the number of hours worked. 2. An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services and the scope of access provided for employees and workers.	1. Refer to ' Our progress in figures ' section (p. 70) on the 'Responsible banking' chapter. <ul style="list-style-type: none"> • Table 34. Accident rate • Table 35. Occupational health and safety 2. Refer to 'Our wellbeing' in ' Acting responsibly towards employees ' section on 'Responsible banking' chapter (p. 46).
Skills for the future	Training provided (#, \$): 1. Average hours of training per person that the organization's employees have undertaken during the reporting period, by gender and employee category (total number of trainings provided to employees divided by the number of employees). 2. Average training and development expenditure per full time employee.	Refer to ' Our progress in figures ' section (p. 70) in 'Responsible banking' chapter. <ul style="list-style-type: none"> • Table 30. Training • Table 31. Hours of training by category • Table 32. Hours of training by gender • 28.7 hours per employee • EUR 284.4 of investment per employee.

10.7 Task Force on Climate related Financial Disclosure (TCFD) content index

	TCFD Recommendations	Reference in this Annual Report	Reference in Climate Finance Report 2022 - June 2023
Governance	a Describe the board's oversight of climate-related risks and opportunities.	2.2 Governance; 9.2 Main regulations and governance	3. Governance; 5. Metrics and targets - Action plan - Power generation sector alignment
	b Describe management's role in assessing and managing climate-related risks and opportunities.	2.2 Governance; 9.2 Main regulations and governance; 2.3 Risk Management; 2.5 Supporting our customers in the green transition	3. Governance; 6. Financing the green transition - ESG governance in Santander Asset 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 Our strategy and ambition	2. Strategy - Climate risks and opportunities; Resilience of Santander's strategy. Scenario analysis
	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 Risk management	4. Risk management - I. Identification; II. Planning; III. Assessment; IV. Monitoring; V. Mitigation; VI. Reporting
	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.	2.4 Metrics and targets	5. Metrics and targets - Aligning our portfolio to the Paris agreement
	b Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	2.7 Our environmental footprint; 8.6. Green Transition - Environmental Footprint 2023-2023	5. Metrics and targets - Decarbonization targets - Financed emissions; Our environmental footprint
	c Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	2.4 Metrics and targets	5. Metrics and targets - Decarbonization targets

References in this report are included in the Responsible banking chapter. For more details TCFD recommendations, see our Climate Report 2021-June 2022 available on our corporate website. Progress has been made on some of these recommendations since the publication of the Climate Finance Report in July 2022

10.8 SDGs contribution content index

We have identified eleven SDGs and associated targets on which we have the greatest impact.

Summary of SDG target	Reference in the 2023 Annual report
SDG 1	
1.2 Reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions	<ul style="list-style-type: none"> Supporting communities (p. 61) (Other community support programmes section).
1.4 Ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services	<ul style="list-style-type: none"> Acting responsibly towards customers (p. 36) (Consumer protection section) Financial health and inclusion (p. 57)
1.5 Build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters	<ul style="list-style-type: none"> Financial health and inclusion (p. 57)
SDG 4	
4.3 Ensure equal access for all to affordable and quality technical, vocational and tertiary education, including university.	<ul style="list-style-type: none"> Supporting communities (p. 61) (Support for higher education, employability and entrepreneurship section).
4.4 Substantially increase the number of young people and adults with technical and vocational skills to access quality employment and entrepreneurial opportunities.	<ul style="list-style-type: none"> Supporting communities (p. 61) (Support for higher education, employability and entrepreneurship section).
4.5 Eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for persons with disabilities, indigenous populations and vulnerable children, among others.	<ul style="list-style-type: none"> Supporting communities (p. 61) (sections: Support for higher education, employability and entrepreneurship, Other community support programmes).
4.6 Substantially increase the scholarships available to developing countries for enrolment in higher education, including vocational training and ICT, technical, engineering and scientific programmes	<ul style="list-style-type: none"> Supporting communities (p. 61) (sections: Support for higher education, employability and entrepreneurship, Other community support programmes). Financial health and inclusion (p. 57)
SDG 5	
5.1. End all forms of discrimination against all women and girls everywhere.	<ul style="list-style-type: none"> Acting responsibly towards employees (p. 46) (Employee experience section).
5.5 Ensure women's full and effective participation in, and equal opportunities for, leadership at all levels of decision making	<ul style="list-style-type: none"> Acting responsibly towards employees (p. 46) (Employee experience section).
SDG 7	
7.1 Ensure universal access to affordable, reliable and modern energy services	<ul style="list-style-type: none"> Supporting the green transition (p. 30) (Supporting our customers in the green transition section).
7.b Expand infrastructure and improve technology to provide modern and sustainable energy services	<ul style="list-style-type: none"> Supporting the green transition (p. 30) (Supporting our customers in the green transition section).

Summary of SDG target

Reference in the 2023 Annual report

SDG 8

8.3 Promote development-orientated policies that support production, job creation, entrepreneurship, creativity and innovation, and promote the start-up and growth of micro, small and medium-sized enterprises through access to financial services and other means.

- Financial health and inclusion (p. 57)
- Supporting communities (p. 61) (Support for higher education, employability and entrepreneurship section).

8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation [...]

- Supporting the green transition (p. 30) (Our environmental footprint section).

8.5 Secure wholesome and productive employment and decent work for all - most notably young people and persons with disabilities - and equal pay for work of equal value.

- Acting responsibly towards employees (p. 46) (Diversity, equity and inclusion (DE&I) section)
- Supporting communities (p. 61) (Support for higher education, employability and entrepreneurship section).

8.6 Substantially reduce the proportion of youth not in employment, education or training

- Supporting communities (p. 61) (Support for higher education, employability and entrepreneurship section).

8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment

- Business conduct (p. 64) (Ethical channels section)
- Acting responsibly towards employees (p. 46)

8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all

- Financial health and inclusion (p. 57)

SDG 10

10.2 Strengthen and promote social, economic and political inclusion for all

- Financial health and inclusion (p. 57)
- Supporting communities (p. 61) (Other community support programmes section)

SDG 11

11.1 Ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums

- Financial health and inclusion (p. 57)

11.4 Strengthen efforts to protect and safeguard the world's cultural and natural heritage

- Business conduct (p. 64) (Environmental, social and climate change risk management section)
- Supporting communities (p. 61) (Other community support programmes section).

11.6 Reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management

- Supporting the green transition (p. 30) (Our environmental footprint section)

SDG 12

12.2 Achieve the sustainable management and efficient use of natural resources

- Supporting the green transition (p. 30) (Our environmental footprint section)

12.5 Substantially reduce waste generation through prevention, reduction, recycling and reuse

- Supporting the green transition (p. 30) (Our environmental footprint section)

12.6 Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

- See Responsible Banking chapter (p. 19)

SDG 13

13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

- Supporting the green transition (p. 30)

SDG 16

16.5 Considerably reduce corruption and bribery in all their forms.

- Business conduct (p. 64)

16.6 Develop effective, accountable and transparent institutions at all levels

- About this chapter (p. 21)
- Stakeholder engagement (p. 89)

16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels

- Stakeholder engagement (p. 89)

SDG 17

- Stakeholder engagement (p. 89) (Partnerships to promote our agenda section)

10.9 GFANZ transition planning

	GFANZ recommendations	Reference in this report	Reference in Climate Finance Report 2022 - June 2023	
Foundations	Objectives and priorities	2.1 Our strategy and ambition	2. Strategy: Our Ambition, Our strategy, Our objectives and priorities, Our approach	
	Implementation strategy	Products and services	2.5 Supporting our customers in the green transition	6. Financing the green transition
		Activities and decision-making	2.2 Governance; 9.2 Main regulations and governance	3. Governance: Climate change and green transition oversight, Main areas involved in the implementation of the climate change strategy
	Policies and conditions	7. Business conduct; 9.1 Stakeholder engagement	3. Governance: Policies and guidance; 4. Risk management: Monitoring	
Engagement strategy	Engagement with clients and portfolio companies	2.5 Supporting our customers in the green transition; 7.3 Environmental, social and climate change risk management	4. Risk management: Santander and the Brazilian Amazon; 5. Metrics and targets: Action plan	
	Engagement with industry	9.1 Stakeholder engagement	7. Partnerships: Sector working groups	
	Engagement with government and public sector	9.1 Stakeholder engagement	7. Partnerships: Engagement with regulators, industry bodies and other stakeholders	
Metrics and Targets	Metrics and targets	2.4 Metrics and targets	5. Metrics and targets	
Governance	Roles, responsibilities, and remuneration	2.2 Governance; 9.2 Main regulations and governance	3. Governance: Climate change and green transition oversight; 6. Financing the green transition: ESG governance in Santander Asset Management	
	Skills and culture	4. Acting responsibly towards employees - A talented and motivated team	3. Governance: ESG culture and skills development	

11. Independent verification report

GRI 2-5



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