CORPORATE CULTURE POLICY

General Policy

Santander Group

This document is a translation of an original text in Spanish. In case of any discrepancy between both texts, the Spanish version will prevail.
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1 INTRODUCTION

This policy establishes the guidelines and required standards to embed a healthy culture throughout the Santander Group (the Group). This policy must be read and understood, together with the Corporate Frameworks, and other applicable regulations of conduct in the Corporation and the subsidiaries, especially the Code of Conduct.

Belonging to a large international group provides a competitive advantage and adds value to each of the units that comprise it. Santander will only achieve sustainable commercial success by managing the business in a responsible way. By being Simple Personal and Fair and helping people and businesses prosper, we will be responsible and earn people’s lasting loyalty. Therefore, ‘How’ we do things is as important as what we do and it is our Corporate Culture that sets out how we ensure we do not simply meet our legal and regulatory requirements, but we exceed expectations by being Simple Personal and Fair in all we do.

Our Corporate Culture is formed from the shared values and ethical standards we hold ourselves accountable to in line with our code of conduct, balancing our responsibilities as a bank for earning both the trust and lasting loyalty of our people, customers, shareholders and communities.

2 SCOPE OF APPLICATION

This Corporate Culture policy is drawn up by Banco Santander, S.A., as the parent company of the Group and establishes the guidelines and standards that must be applied in respect of culture. It is subject to approval by the Board of Directors of Banco Santander, S.A., is directly applicable to the corporation and is provided as a reference document to the entities that are members of the Group.

This policy must be observed by all employees, entities and subsidiaries of the Group across all business areas and countries in which it operates. To this effect, Group companies are responsible for adopting and implementing this Corporate Culture policy, being the basis for developing and implementing their own procedures and other internal regulations, notwithstanding the adaptations that may be appropriate in compliance with local regulations and recommendations or the requirements of their supervisory authorities.

Local transpositions of this policy must be approved locally at Board level and will require prior validation by the Corporation before being approved by the corresponding entity.

3 ELEMENTS WHICH CONSTITUTE THE SANTANDER CULTURE

The Santander Group Culture is structured on three levels:

a) Common Minimum Standards. These elements are the backbone of our culture. They have been formed through a bottom-up process and apply to the entire Group. These elements cannot be changed.
b) **Mandatory global initiatives** to be implemented in the Group that can be adapted and managed at local level.

c) **Local initiatives**, developed with autonomy within the Corporate Culture Policy and with respect for the Corporate Frameworks (Compliance and Conduct, Risk, Brand, Sustainability and Communications Strategy, Human Resources, etc.).

The details of these three elements are listed here:

3.1 **Common Minimum Standards**

These elements are the backbone of our culture and apply to the entire Group. These elements cannot be changed.

3.1.1 **The Santander Way**

- **Purpose (Why): Our purpose is to help people and businesses prosper.** It is the Group’s cornerstone and is the same for all entities. It cannot be adapted.

- **Group Aim: To be the best open financial services platform by acting responsibly and earning the lasting loyalty of our people, customers, shareholders and communities**. Our Aim is what the Group aspires to achieve. It is linked to our purpose and is determined and achieved through the development and execution of its strategic planning at any given time. The Group’s aim and that of Group Companies in countries must take into account the four target groups or stakeholders (people, customers, shareholders and communities) when developing and communicating the strategy and culture; and while defining the Key Performance Indicators (KPIs).

- **Our How: (Simple Personal and Fair)**

  i. How we achieve our goals is as important as achieving them at all. We must live three core values in everything we do. Those values are **Simple, Personal and Fair (SPF)**. The words can be translated without altering their meaning. Each Group company can define what Simple, Personal and Fair means for each of its four stakeholders (People, Customers, Shareholders and Communities), in accordance with the Corporate Culture of the Group. It is simultaneously a declaration of the Group’s ambition and desire to improve. In other words, it should be treated as a goal and not as something that has already been achieved or consolidated.

  ii. In order to live our values of Simple, Personal and Fair each day we expect colleagues to display great behaviours. **Corporate behaviours** have been defined, supporting appropriate conduct and ethical standards. These may change over time if needed.

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1 More information in Annex 1 – The Santander Way

2 Subject to review according to 2025 Strategic plan.
after discussion and evaluation. The eight corporate behaviours are: Support People, Actively Collaborate, Bring Passion, Show Respect, Truly Listen, Keep Promises, Talk Straight, and Embrace Change. See Annex II - Corporate Behaviours for more detail. The behaviours are a common base in every subsidiary. It is mandatory for all Group Companies to apply the agreed behaviours. Group Companies may apply additional behaviours if deemed necessary or appropriate given local market or cultural conditions. Any proposal to apply additional behaviours must be validated by Corporate Centre prior to implementation.

iii. In addition to the behaviours, we expect every colleague to be, or to receive great Leadership. **Common Leadership Commitments** have been defined (see Annex VI – Leadership Commitments), focussing on just four, business critical priorities for Santander in order to become the best open financial services platform. Every leader in Santander commits to being a responsible leader by:

   a. Being open and inclusive... promoting diversity.
   b. Inspiring and executing transformation... having a clear strategic vision and delivering sustainable outcomes.
   c. Leading by example... by always being SPF
   d. Encouraging the team to prosper... supporting the team to develop and make impact.

iv. Finally, to be Simple Personal and Fair, we expect all colleagues to embed a strong risk culture, which is known as risk pro³. Our **risk culture** is based on everyone’s personal accountability for managing risk, regardless of their level or role. All employees have to be aware of and understand the risks they deal with in their day-to-day activities and be responsible for identifying, managing and reporting them, taking into account the approved risk appetite and limits. Santander Risk Culture is universal and uniform throughout the organisation and encompasses all types of risks (financial and non-financial), irrespective of which organisational unit is responsible for their management and control. It fosters an environment of effective communication by means of transparency and open dialogue, continuous debate and challenge should be promoted in risk decision-making processes. The development, communication and embedding of risk pro across all units and levels of the organisation is built upon a set of processes included in all elements of the employee lifecycle. Further information is detailed in Annex IV - Risk Culture: Processes and Responsibilities. Also, Incentive schemes play a key role in aligning risk conduct with the Group’s risk profile

The behaviours, leadership commitments and risk culture must be included at the heart of all processes for managing people (employee lifecycle): recruitment and hiring, performance management, training, career development, remuneration, recognition, etc.

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³ Named “I AM Risk” in UK and USA
3.1.2. Stakeholders and virtuous circle

The Group has four key stakeholders: our people (employees), customers, shareholders and communities. They are listed precisely in this order, as the engagement and success of our people lead to satisfied customers who, in turn, generate returns for shareholders, and allow us to continue to invest in our communities, creating a virtuous circle.

3.1.3. Santander Brand

The Santander Brand is a reflection of the Group culture and must therefore continue to guarantee that our inward (to people) and outward (to other stakeholders) message is consistent. It must be transmitted consistently throughout the world. Brand strategy and marketing plans from all Group units must be coherent with the Santander brand positioning and help enhance it as a distinguishing feature of the Group. There is a Brand and Communications Corporate Framework which sets out common principles and action guidelines in this area and applies to the entire Group.

3.1.4. Governance and Measurement

a) Promotion of culture (including risk culture) is the responsibility of the highest bodies in the organisation. The statutory bodies are primarily responsible for monitoring its internal and external cascade, without prejudice, to the collaboration required from other governance bodies.

b) In each Santander subsidiary, the Board (or main Governing Body) should ensure that oversight of embedding the common minimum standards receive continuous attention in their agenda setting, with explicit delegation to the highest executive and his/her team.

c) The Group Board Responsible Banking, Sustainability and Culture Committee (RBSCC) is the highest governance body for corporate culture (see Annex VII – Group Responsible Banking, Sustainability & Culture Governance).

d) For Risk Culture, the Board may delegate oversight of risk culture and progress to the Board Risk Committee as an independent risk control and supervision body. This body may be assisted by other lower level committees at executive level in order to carry out more efficient oversight to ensure that risk culture is adopted at all times and at every level.

e) Group Culture Steering supports the RBSCC in culture matters and provides direction, approval and oversight to help ensure that a consistent culture is embedded throughout the Group. Country Heads, or their delegated representatives, are required to present their culture plans to the Group Culture Governing Body on an annual basis.

f) The Group Culture Function, within the Responsible Banking Unit, is responsible for the coordination, consistency and oversight of all global cultural initiatives (including risk culture) across the four stakeholder quadrants, providing a holistic view of initiatives, progress, monitoring and sharing best practices.

g) Each subsidiary is required to identify a senior local Responsible Banking representative and governing body to focus on developing, implementing and measuring the actions they have in
respect of culture (including risk culture). The local Governance applicable to culture is for each subsidiary to determine, however the overall outcomes must be consistent with the required standards of the Group.

h) Other suggested elements of the local culture governance in a subsidiary are: an action plan with a summary of all Global and local initiatives; a communication plan; the definition of a short list of KPIs to follow progress. Group subsidiaries should submit details of the above-mentioned elements to the Corporate Centre upon request from Culture Steering.

i) Culture in the Group (including risk culture) has to be measured in a systematic and uniform manner. Such measurement should indicate both its degree of integration in the organisation and how it has evolved over time. This includes measuring SPF perception across the four key stakeholders, global engagement survey and NPS (Net Promoter Score).

j) There are certain Group and local targets/KPIs associated with the Group aim. Group KPIs are public and are reported to the market at least once a year and are mandatory for Group subsidiaries to apply. Group subsidiaries may additionally apply local KPIs that are deemed appropriate in the local market.

3.1.5. Effective Communication

a) Culture within the entity should be promoted via transparency and open dialogue throughout the organisation, both between the Board of Directors and the entity’s management and between the entity’s management and other staff, thereby creating two-way communication and ownership. Cross-functional communication mechanisms have to be set to provide open and effective communication. All employees should become participants and conveyors of the Group’s culture encouraging an environment where people can speak up, talk straight and challenge without fear.

b) This process is managed through an annual communication plan with focus on the key drivers used to convey and strengthen the Corporate Culture.

3.2 Mandatory global initiatives to be implemented in the Santander Group that are adapted and managed at local level.

In addition to the Common Minimum Standards there are global initiatives that help build Santander’s culture for all subsidiaries to implement. Each subsidiary can determine how to implement these initiatives based on their local context and situation. They must be led locally by Country Heads.

The Group Culture Steering decides if a given initiative needs to be global to ensure the overall best interests of the Group and regulatory requirements. Subsidiaries can decide how to adapt initiatives locally and ultimately must have the validation of the Corporate Centre in line with Group culture governance. Global initiatives that can be adapted locally include:

a) Local Culture Governance: this can be developed locally and may include steering or working groups to support the local culture programme aligned with the Group.

b) Local volunteering initiatives: We encourage our people across the Group to participate in corporate volunteering activities by offering them a certain number of monthly/annual work
hours they can allot to giving back to communities. This is crucial in our purpose to help people and businesses prosper. More details in Annex V - Corporate Volunteering Standards.

c) Local KPIs. As outlined in section 3.1.4 – Governance and measurement.

Examples of global culture initiatives by quadrant:

- People: Diversity & Inclusion, FlexiWorking, BeHealthy, Santander Week, StarmeUp, Employee Value Proposition and MyContribution.
- Customers: customer loyalty strategy, digital transformation, financial inclusion.
- Shareholders: Simple, Personal and Fair financial reporting standards.
- Communities: Santander Universities, volunteering.

3.3 Local Initiatives

Local initiatives can be developed with autonomy within the Corporate Culture Policy and with respect for corporate frameworks already defined in other functions (Risk, Communications and Branding, Strategy, Human Resources, Compliance, etc.). These initiatives should be shared with the Group Culture Unit and/or via Culture Steering to encourage best practices sharing and learning from each other.

4 GOVERNANCE

4.1 Ownership

The owner of this present policy is the Board of Directors of Banco Santander, S.A.

4.2 Interpretation

The Responsible Banking unit is responsible for the interpretation of the document.

4.3 Date of validity and periodic review

This policy will come into force on the date it is published. Its contents will be reviewed on a regular basis, and any changes or modifications considered appropriate will be made.

This policy is published for general knowledge on the corporate intranet and on the website www.santander.com
5  CHANGE CONTROL

<table>
<thead>
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<th>Version</th>
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<th>Comment</th>
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<td>1</td>
<td>07/2017</td>
<td>Document generation</td>
<td>Board of Directors of banco Santander, S.A.</td>
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<td>2</td>
<td>02/2019</td>
<td>Update and integration of the Risk Culture Model into the Corporate Culture Policy</td>
<td>Board of Directors of banco Santander, S.A.</td>
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<tr>
<td>3</td>
<td>12/2019</td>
<td>Inclusion of Leadership Commitments into the Santander Way, Volunteering standard (Annex V), which derogates the previous Corporate Volunteering Policy, and updated D&amp;I principles.</td>
<td>Board of Directors of banco Santander, S.A.</td>
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\(^4\) Information since the entry in force of the Policy on Regulatory Documents and Reference Documents.
## ANNEX I: THE SANTANDER WAY

### Our Purpose
To help people and businesses prosper.

### Our Aim
To be the best open financial services platform, by acting responsibly and earning the lasting loyalty of our people, customers, shareholders and communities.

## ANNEX II: CORPORATE BEHAVIOURS

<table>
<thead>
<tr>
<th>Behaviour</th>
<th>What it means</th>
<th>Behaviour</th>
<th>What it means</th>
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<tbody>
<tr>
<td><img src="image" alt="Show respect" /></td>
<td>I show respect and I treat others as I would like to be treated, acknowledging and appreciating one another’s differences</td>
<td><img src="image" alt="Actively collaborate" /></td>
<td>I actively encourage co-operation to find the best solution for my customers and colleagues.</td>
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<tr>
<td><img src="image" alt="Truly listen" /></td>
<td>I listen and have empathy, to understand other’s needs</td>
<td><img src="image" alt="Bring passion" /></td>
<td>I bring passion and energy and I give my best to earn the lasting loyalty of my customers and colleagues.</td>
</tr>
<tr>
<td><img src="image" alt="Talk straight" /></td>
<td>I talk straight and adapt to others and the specific context, speaking out constructively.</td>
<td><img src="image" alt="Support people" /></td>
<td>I give support to people in their development, providing feedback and appreciating their contribution.</td>
</tr>
<tr>
<td><img src="image" alt="Keep promises" /></td>
<td>I keep my promises and I am consistent in everything I do</td>
<td><img src="image" alt="Embrace change" /></td>
<td>I embrace change, bringing innovative solutions and learning from mistakes.</td>
</tr>
</tbody>
</table>
8 ANNEX III: DIVERSITY AND INCLUSION PRINCIPLES

1) Santander Group recognizes and supports all existing sources of diversity, both visible (gender, race, age, visible disabilities,…) and invisible (professional and life experiences, education, religion, values and beliefs, invisible disabilities, sexual orientation, personality,…).

2) We promote inclusive working environments in which all individual differences are valued, respected and enhanced. Having a diverse workforce is a competitive advantage that helps us to attain our business objectives, attract and retain the best talent and meet the expectations of our stakeholders.

3) Banco Santander is committed to offering Equal Opportunities to all. Leaders and employees are selected, remunerated and promoted based on meritocracy without any type of discrimination.

4) The Group’s people’s management policies, processes, systems and tools do not entail any bias that may give rise to situations of discrimination of any kind.

5) Our customers are diverse (in terms of gender, race, age, beliefs, abilities, sexual orientation…) and having a diverse workforce will help us to better understand their needs. The new kind of digital customer we are targeting will also require us to have diverse profiles.

6) Our products reflect the diversity of our clients and are accessible to all.

7) We comply with the prevailing international and local diversity, inclusion and equal opportunities legislation in each country.

8) Leaders and managers of the Group play an active role in diversity management.

9) We are committed to achieving pay equality for the whole of our workforce, comparing employees in the same job, level and function. The process is properly monitored to correct any detected pay inequality.

These general principles are underpinned by the Santander Group's conviction that D&I management is a fundamental issue linked to cultural transformation, the strategic vision of the company and the Santander Way.
9 ANNEX IV: RISK CULTURE: PROCESSES AND RESPONSIBILITIES

The development, communication and integration of risk across all units and levels of the organisation, is built upon a set of key processes, which form part of the employee’s life cycle. These processes include:

a. Selection and recruitment processes

Raising awareness of the importance of, and personal responsibility for managing risk in each new employee, through incorporation within selection materials and reinforcing such awareness once she/he has joined the Group through risk culture training in on-boarding programmes.

b. Risk training and development processes

To help embed a strong risk culture so it becomes part of everyone’s day to day work, it is important to facilitate access to risk training and the Group uses the following approaches indicated below:

- Career and risk training plans for all employees.
- Training initiatives ensuring that all employees understand risk, the main risk types (financial and non-financial) and the basic aspects of risk management.
- Including a risk component in the training plans for all employees.

The Risk Pro Banking School (RPBS), Academia and the other local risk schools, help to deploy a corporate risk strategy across the Group. This strategy is a crucial lever for disseminating risk culture to all employees.

c. Embedding risk culture in daily activities

Promoting an effective and open communication and collaborative culture is critical to ensuring all employees’ suggestions about risk management are taken into account and positively assessed in order to help achieve advanced risk management and better decision-making. This will include promoting the use of whistleblower, ethical and other escalation channels, warnings about illicit situations or breaches of the code of conduct, and/or reporting any risks which are not being correctly managed. Each Group employee has personal responsibility for managing their risks within their daily activities.

d. Reward and recognition processes

Risk is included within the Group’s performance management and reward. These processes are intended to motivate employees to adopt behaviours which are conducive towards good risk practices within the Group via alignment of remuneration and performance evaluation schemes. These processes will be led by Human Resources and supported by the Control functions.
10 ANNEX V: CORPORATE VOLUNTEERING STANDARD

Santander’s purpose is to help people and businesses prosper by operating in a way that is Simple, Personal and Fair. By promoting a Corporate Volunteering standard, the Group seeks to:

- Strengthen Santander’s commitment to communities through the direct involvement of its employees within the Corporate Culture Policy;
- Increase employee’s commitment to Santander and their sense of pride in belonging to the Group; and
- Develop and enhance our people’s talent and skills (cooperation, teamwork, leadership and creativity).

Child and youth education is the central element of the Santander Group corporate volunteering scheme, which complements the work carried out to benefit higher education through agreements with universities. Within this area, there are three basic lines of action:

1) Preventing school dropout.
2) Improving the employability of young people at risk of social exclusion.
3) Promoting financial literacy.

Each country will predetermine a certain number of monthly/annual hours that will be offered to employees to ensure that they can participate in corporate volunteering activities if they wish to do so. Employees are also encouraged to contribute their own ideas for volunteering activities.

An Executive Sponsor in each country is responsible for promoting volunteering in the Group. Their role is to determine which initiatives best match the corporate and local strategy. In order to measure the internal and external impact of corporate volunteering, every country must report on a series of basic annual indicators that will facilitate the role of the Commitment and Recognition teams, regardless of other indicators they choose for their local reporting:

- Number of individual volunteers who participate in volunteering activities (on-site, micro-donations, and online);
- Number of volunteering hours in activities proposed or disseminated by the Group and its value in the local currency;
- Number of projects;
- The impact of volunteering activities;
- Number of direct group beneficiaries to which the activities correspond (people with disabilities, youth, children, senior citizens, immigrants, indigenous people, etc.);
- Multiplier effect on families, social organisations, society in general, the environment and other, where possible;
- NGOs with which they collaborate;
- Investment in volunteering (any economic contribution as opposed to time contribution).
11 ANNEX VI: LEADERSHIP COMMITMENTS

Being a responsible leader in Santander I commit to...

**Being open and inclusive**
- Promoting diversity
- Collaborates: works with the team, and for the good of the wider team and Group
- Explores differences in perspectives and integrates them into the team
- Is open-minded, receptive and positively encourages people to speak up

**Inspiring and executing transformation**
- Having a clear strategic vision and delivering sustainable outcomes
- Defines and executes their plans and strategy with speed, quality and with lasting outcomes
- Mobilizes and accelerates change in a responsible way
- Innovates with an entrepreneurial mindset, not being afraid to fail, learning from setbacks

**Leading by example**
- By always being SPF
- Consistent, lives the behaviours and Risk Pro at all times
- Inspires trust, is humble, empathetic and expects the best in others
- Is emotionally intelligent, self-regulates and adjusts reactions to suit the situation

**Encouraging the team to prosper**
- Supporting the team to develop and make impact
- Recognizes and gives visibility to the team or area’s achievements
- Challenges others to help them grow constantly and supports them during the process
- Gives opportunities for career development and enables new opportunities for self and team

**COMMON LEADERSHIP COMMITMENTS**

**Living our values**
- Simple
- Personal
- Fair

**With great Leaders being**
- Open & Inclusive
- Inspiring and Executing Transformation
- Leading by Example
- Encouraging the Team to Prosper

**With great Behaviours displayed**
- Truly listens
- Sees potential
- Keeps promises
- Talks clearly
- Embraces change
- Supports people
- Enthusiastic
- Activity collaborates
12 ANNEX VII: GROUP RESPONSIBLE BANKING, SUSTAINABILITY & CULTURE GOVERNANCE

1. Board Responsible Banking, Sustainability & Culture Committee (RBSCC)
   - Quarterly
   - Assists the board of directors in fulfilling its oversight responsibilities with respect to the responsible business strategy, sustainability and culture issues of the Company and its Group
   - Drives accountability of management to address actions.
   - RBSCC agenda preparation and drives governance effectiveness.

2. Inclusive & Sustainable Banking Steering
   - Monthly
   - Promotes, supports, evaluates and holistically measures the implementation of The Santander Way Corporate Culture across all geographies
   - Ensures RBSCC’s agenda covers key issues
   - Ensures consistency of Group and local actions
   - Ensures Group and countries work together to share best practices in an effective way
   - Ensures plans agreed by the RBSCC are implemented

3. Culture Steering
   - Monthly
   - Ensures RBSCC’s agenda covers key issues
   - Ensures consistency of Group and local actions
   - Ensures Group and countries work together to share best practices in an effective way
   - Ensures plans agreed by the RBSCC are implemented

Global Responsible Banking (Including Culture Team & Financial Inclusion & Sustainability Team)
Executive Chairman’s Office

Responsible Banking Network and Governance in Countries and Global Business areas (SCIB, SCF, Digital and WM&PB)