



Banco Santander S.A. and its subsidiaries

Independent limited assurance report on Greenhouse Gas Statement 2020



*Free translation from the original in Spanish, in the event of a discrepancy,
the Spanish language version prevails.*

Independent limited assurance report on greenhouse gas statement 2020

To the Management of Banco Santander, S.A.:

Scope of work

We have undertaken a limited assurance engagement of the Greenhouse Gas Statement (hereinafter referred to as GHG Statement) of Banco Santander S.A. (the Parent Company) and its subsidiaries (hereinafter referred to as Banco Santander) for the financial year ended December 31, 2020, included in the Appendix of this report. This engagement was conducted by a team of sustainability and climate change assurance practitioners.

Responsibility of Banco Santander's management

Banco Santander S.A.'s management is responsible for the preparation of the 2020 GHG Statement in accordance with their internal procedure: "Grupo Santander 2020 Carbon Footprint Procedure", described in the document: "Grupo Santander 2020 Carbon Footprint Procedure and Report" (available on: <https://www.santander.com/en/our-approach>). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of a GHG statement that is free from material misstatement, whether due to fraud or error.

GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the GHG Statement based on the procedures we have performed and the evidence obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements 3410 (ISAE 3410), "Assurance Engagements on Greenhouse Gas Statements" issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). That standard requires that we plan and perform this engagement to obtain limited assurance about whether Banco Santander's 2020 GHG Statement is free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3410 involves assessing the suitability in the circumstances of Banco Santander's use of applicable criteria as the basis for the preparation of the GHG statement, assessing the risks of material misstatement of the GHG statement whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the GHG statement. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.



The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Through inquiries and meetings with personnel of Banco Santander's various departments who have been involved in the preparation of the GHG Statement, obtained an understanding of Banco Santander's control environment and information systems relevant to emissions quantification and reporting, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness.
- Evaluated whether Banco Santander's methods for developing estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate Banco Santander's estimates.
- Verification, through analytical and substantive tests based on the selection of a sample and internal control tests, of the information (activity data, calculations and information generated) used to determine Banco Santander's 2020 GHG Statement and the correct compilation of information based on the internal procedure applied.
- Assessment of whether the compensations detailed in the table included in the GHG Statement constitutes a reasonable detail of the contracts and documentation examined. In the event that such compensation comes from acquisitions of rights made to external suppliers, our work has not included any procedure on the facts that gave rise to such rights in the suppliers, so we do not conclude on whether the compensations shown have generated or will generate the emission reduction quantified in the GHG Statement.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained if we had performed a reasonable assurance.

Independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which includes independence and other ethical requirements founded on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behaviour.

The firm applies the International Standard on Quality Control 1 (ISQC 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention which may lead us to believe that Banco Santander S.A. and its subsidiaries' GHG Statement for the financial year ending 31st December 2020 is not prepared, in all material aspects, in accordance with the internal procedure: "Grupo Santander 2020 Carbon Footprint Procedure", described in the document: "Grupo Santander 2020 Carbon Footprint Procedure and Report".

Use and distribution

Our report is only issued to the Management of Banco Santander S.A. in accordance with the terms and conditions of our engagement letter. We do not assume any liability to third parties other than Banco Santander S.A. Management. This report has to be read jointly with the document: "Grupo Santander 2020 Carbon Footprint Procedure and Report".

PricewaterhouseCoopers Auditores, S.L.

A handwritten signature in blue ink, consisting of a series of loops and strokes, representing the name Pablo Bascones Ilundáin.

Pablo Bascones Ilundáin

29th June 2021



Appendix

Greenhouse Gas Statement (GHG Statement) of Banco Santander S.A. and its subsidiaries corresponding to the year ended December 31, 2020

GHG Statement 2020*	2020 (tCO ₂ -eq)
Scope 1 – Direct GHG emissions	
<i>Emissions derived from fuel consumption in mobile sources – Own fleet</i>	970.55
<i>Emissions derived from stationary fuel consumption</i>	23,847.32
Scope 2 – Indirect GHG emissions	
<i>Emissions derived from electricity consumption (market-based)</i>	128,633.05
<i>Emissions derived from electricity consumption (location-based)</i>	282,215.80
Scope 3 – Indirect GHG emissions	
<i>Emissions derived from employees' air and car business travel (category 6 according to GHG Protocol)</i>	21,784.59
<i>Emissions derived from employees travelling from central services in each country to their workplaces by individual car, collective vehicle and rail (category 7 according to GHG Protocol)</i>	18,923.06

(*) The scope of this statement refers to the activities of Banco Santander, S.A. (Parent company) and subsidiaries, in its ten main geographies (G10): Spain, Portugal, Germany, Poland, UK, USA, Mexico, Brazil, Argentina and Chili. The GHG emissions of these countries represent a highly representative proportion of the total GHG emissions of the entire Group. The emissions derived from the own fleet of vehicles correspond to the Mexican fleet.

The overall Scope 1, Scope 2 (market-based) and Scope 3 emissions that appear in the table above have been fully offset through a series of offset projects that support this offset of GHG emissions.

Banco Santander's GHG Statement 2020 has been calculated based on the following energy consumption:

Energy consumption in absolute value 2020	GJ
Fuels used in stationary and mobile sources	
• Natural Gas	391,816.88
• Diesel	36,807.34
• LPG	1,841.61
• Automotive petrol	13,252.48
• Automotive diesel	795.26
Electricity consumption	
• Renewable electricity	1,892,722.19
• Non-renewable electricity	1,420,911.65



Criterion of quantification

Banco Santander's 2020 GHG Statement has been prepared in accordance with the internal procedure: "Grupo Santander 2020 Carbon Footprint Procedure", described in the document: "Grupo Santander 2020 Carbon Footprint Procedure and Report".

The calculation of Banco Santander's emissions is carried out under the operational control approach, accounting for emissions from those sources over which the entity has full authority to introduce and implement its operating policies.

Scope

The emissions associated with the activities and facilities (offices and branches) of Banco Santander Group are quantified, considering the following scopes:

Scope 1: Direct GHG emissions

- *Emissions derived from fuel consumption in mobile sources, derived from fuel consumed by Mexico's own vehicle fleet.*
- *Emissions derived from stationary fuel consumption, derived from fuel consumption in offices and branches.*

Scope 2: Indirect GHG emissions

- *Emissions derived from electricity consumption in offices and branches.*

Scope 3: Indirect GHG emissions

- *Emissions derived from employees' air and car business travel (category 6 according to GHG Protocol).*
- *Emissions derived from employees travelling from central services in each country to their workplaces by individual car, collective vehicle and rail (category 7 according to GHG Protocol).*