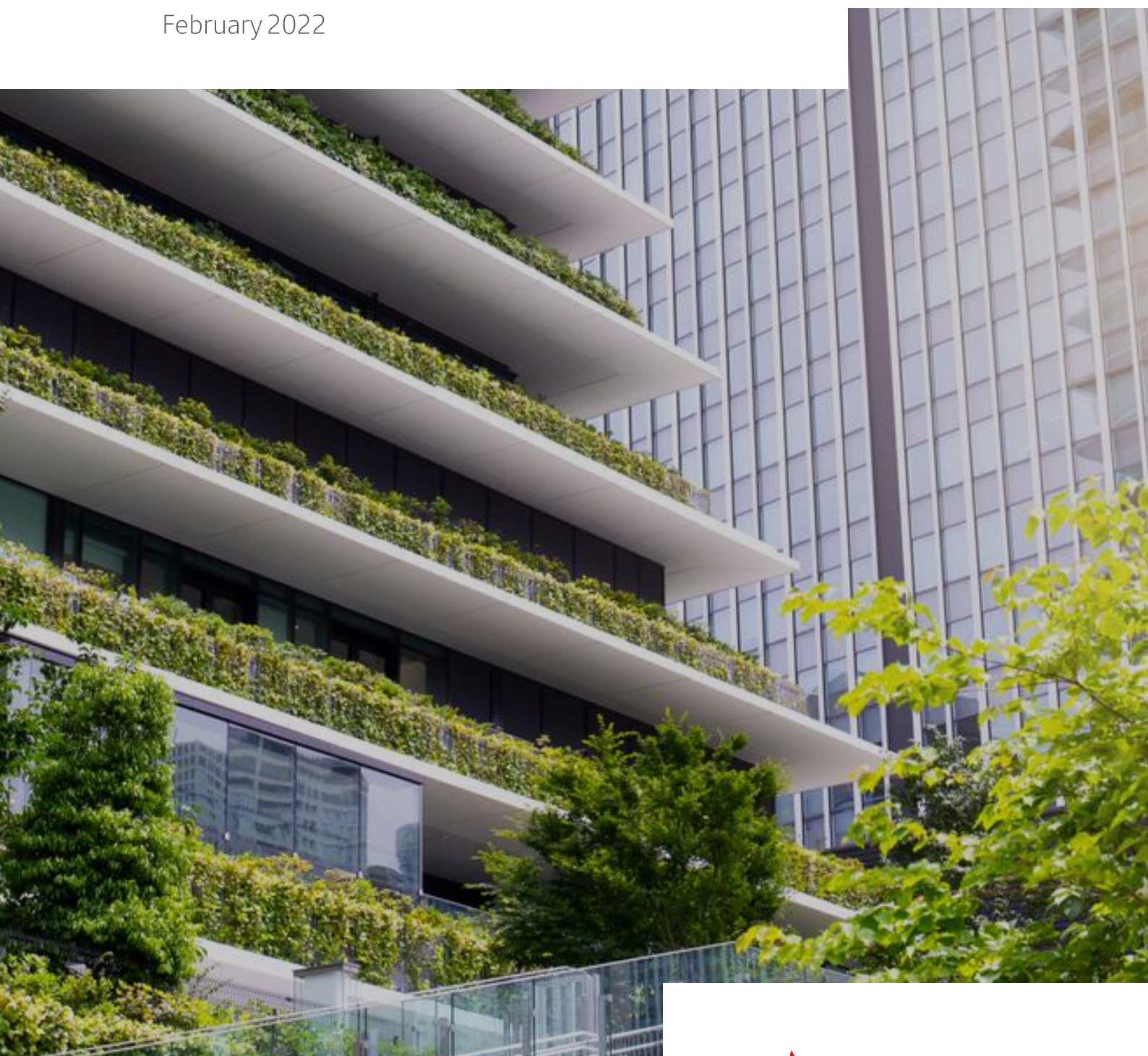


Santander Group

Green, Social & Sustainability Funding Global Framework

February 2022



Index

1. Disclaimer	3
2. Rationale for a Santander Green, Social & Sustainability Group-wide Framework	5
3. Introduction	5
3.1. Santander Group Structure	5
3.2. Our approach	6
3.3. The Santander Way - Our commitments to build a more responsible bank	6
3.4. Supporting the green transition	9
3.5. The Sustainable Finance Classification System ("SFCS")	10
4. Foundation for Santander Group's Green, Social & Sustainability Funding Global Framework	10
5. Use of Proceeds	12
5.1. Green Eligible Categories	12
5.1.1. Sectors and activities covered	12
5.1.2. Green eligibility criteria	12
5.2. Social Eligible Categories	19
5.2.1. Sectors and activities covered	19
5.2.2. Social eligibility criteria	19
5.2.3. Target Population References	22
5.3. Exclusions to Use of Proceeds	23
6. Project Evaluation & Selection Process	24
6.1. Global Sustainability Funding Steering group	24
6.2. Local Sustainability Funding Steering groups	25
7. Management of Proceeds	25
8. Reporting	26
8.1. Allocation Reporting	26
8.2. Impact Reporting	27
8.2.1. Green Eligible Categories	27
9. External Review	29
9.1. Second-Party Opinion (SPO)	29
9.2. Post issuance external verification on reporting	29

1. Disclaimer

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2. Rationale for a Santander Green, Social & Sustainability Group-wide Framework

Santander¹ has created this Green, Social & Sustainability Funding Global Framework (the “Framework”) that will hereafter serve as a reference document for all future issuance of green, social and sustainability labelled funding instruments (known collectively as “Labelled Funding Instruments” or “LFI”), offered by Banco Santander and/or any of its consolidated subsidiaries across the Group.

The LFI may include any kind of use of proceed based bonds, and also in any type of bond format contemplated within the ICMA’s Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines (June 2021), loan format contemplated within the LMA’s Green Loan Principles (February 2021) and Social Loan Principles (May 2021), and/or any other type of financial instrument or transaction commonly accepted in both international and domestic markets, and as intragroup transactions.

This Framework will supersede and replace Banco Santander’s former Global Sustainable Bond Framework and Green Bond Framework originally created in September 2019, which were adjusted respectively in March and April 2020, to be aligned with the best market practices and evolving investor expectations. Specifically, the new Framework includes: (i) a larger range of use of proceeds eligible categories; (ii) a greater span of funding instruments governed from under it; and (iii) a broader scope of entities from within the Santander Group are explicitly included so that they are able to use this Framework for their own LFI purposes.

3. Introduction

3.1. Santander Group Structure

Santander Group is structured into legally independent subsidiaries whose ultimate parent company is Banco Santander, S.A. Its registered office is in Santander (Cantabria, Spain), while its corporate centre is located in Boadilla del Monte (Madrid, Spain). It has a Group-Subsidiary Governance Model (“GSGM”) and good governance practices in place for its core subsidiaries.

The key features of the GSGM are:

- The subsidiaries’ governing bodies must ensure their rigorous and prudent management and economic solvency while pursuing the interests of their shareholders and other stakeholders.
- The subsidiaries are managed locally by teams that possess extensive knowledge of, and experience with, their customers and markets, while benefiting from the synergies and advantages of belonging to the Group.

¹ “Santander Group” means Banco Santander, S.A. (the Group’s parent) and all of its consolidated subsidiaries or issuing entities (also “Santander”, the “Group”). Unless the context requires otherwise, “Banco Santander” means Banco Santander, S.A.

- The subsidiaries are subject to local authority regulation and supervision, although the European Central Bank (ECB) supervises the Group overall.
- Customers' deposits are protected by the relevant deposit guarantee schemes in the subsidiaries' countries, subject to local regulations.

Resolution groups within Santander finance their own capital and liquidity. The Group's capital and liquidity are coordinated by corporate committees. Intra-group risk transactions are limited, transparent and carried out under market conditions. Santander Group retains a controlling interest in subsidiaries listed in certain countries.

Each resolution group runs independently and has its own recovery plan, limiting the contagion of risk between group entities and reducing systemic risk.

3.2. Our approach

The purpose of Santander Group is to help people and businesses prosper; to fulfil their purpose, they must act responsibly with employees, customers, shareholders and the wider community. In this manner, Santander grows as a business and exists to help society address its own challenges.

People expect businesses and especially financial institutions to play a role in fostering sustainable growth, and a transition to the green economy in a way that is responsible towards society. All of this is why communities are best served by corporations that have aligned their goals to serve the long-term goals of society.

Santander has always strived to use its position in the market to help address wider challenges that society faces, but now it is even more important for the Group to be responsible in all it does. Santander needs to show how its business is delivering profit with a purpose.

To achieve this objective, the Group has identified two challenges: adapting to an ever-changing environment, and supporting inclusive and sustainable growth. To address these challenges we integrate environmental, social and governance criteria in our business model, and we leverage on a strong governance through the Responsible Banking, Sustainability and Culture Board Committee.

3.3. The Santander Way - Our commitments to build a more responsible bank

The Santander Way reflects our global culture and it is aligned with our corporate strategy. It encompasses our purpose, our aim and our ways of working, to be Simple, Personal and Fair ("SPF") in everything we do.

Simple

We offer customers an accessible service with simple products that are easy to understand. We use simple language and improve our processes every day.

Personal

We provide our customers with a personalised service, offering them the products and services best suited to their needs. We want each and every one of our employees and customers to feel valued and treated as an individual.

Fair

We treat our employees and customers fairly and equally, we are transparent and we keep our promises. We create good relationships with different stakeholders, because we understand that what is good for them is also good for Santander.

We have also defined corporate behaviours and leadership commitments, which are embedded into the day-to-day activities of each employee.

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

Santander's Sustainability Policy² defines the general guiding principles of Santander Group regarding sustainability, based on the best practices included in international conventions and protocols, codes of conduct and internationally relevant guidelines, with special attention to the United Nations Sustainable Development Goals.³

We focus on the areas where, as a Group, our activity can have the greatest impact, embedding environmental, social, and governance criteria into business decision-making. Details of this approach can be found in our Environmental, Social & Climate Change Risk Management Policy,⁴ alongside our Equator Principles Reporting.⁵

Our commitments

In 2019 Santander set clear and ambitious goals on which we made progress in 2020 and have continued to do so during 2021. We achieved carbon neutrality⁶ in our own operations in 2020, meeting our commitment a year ahead of schedule. In doing so, we continue to contribute to the achievement of the Sustainable Development Goals.

² <https://www.santander.com/content/dam/santander-com/en/contenido-paginas/nuestro-compromiso/pol%C3%ADticas/do-General%20sustainability%20policy-en.pdf>

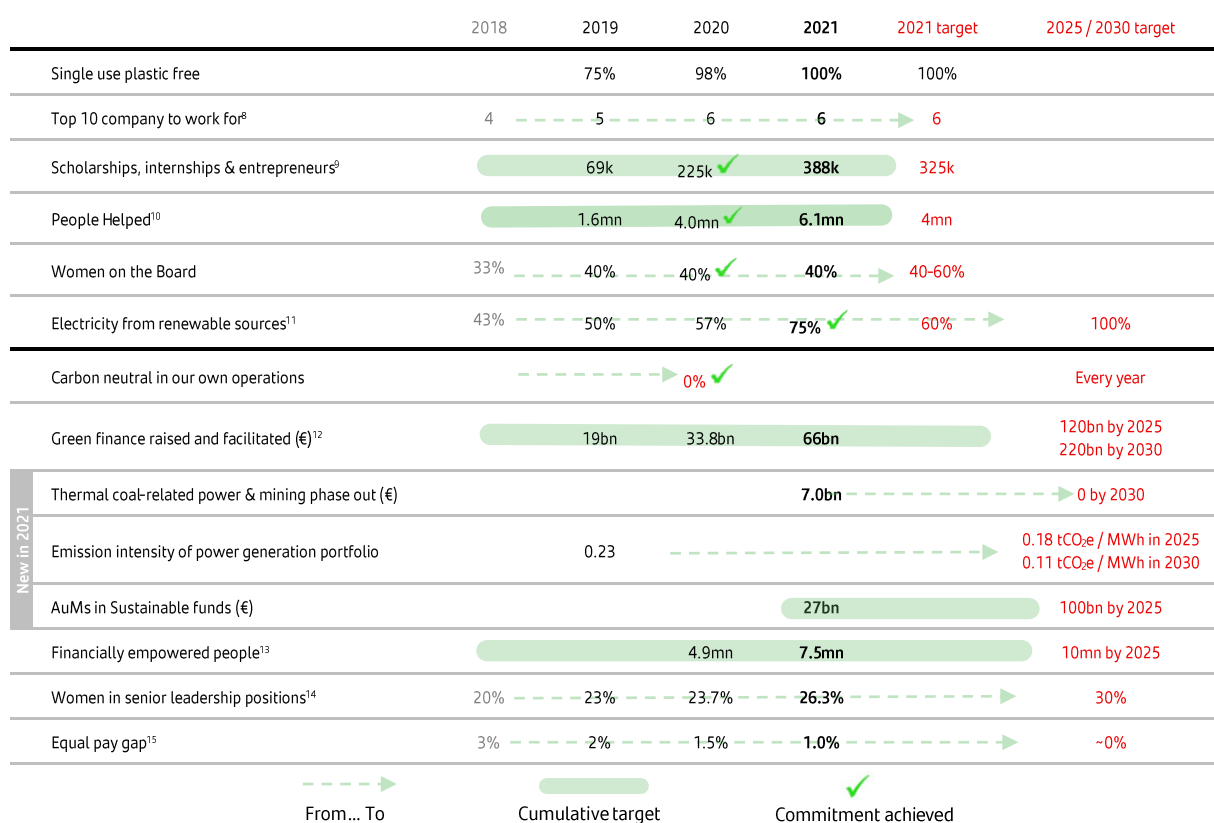
³ <https://www.santander.com/content/dam/santander-com/en/documentos/informe-anual-de-sostenibilidad/2020/ias-2020-banco-santander-and-the-sdgs-en.pdf>

⁴ <https://www.santander.com/content/dam/santander-com/en/contenido-paginas/nuestro-compromiso/pol%C3%ADticas/do-environmental-social-and-climate-change-risk-policy-en.pdf>

⁵ <https://www.santander.com/content/dam/santander-com/en/contenido-paginas/nuestro-compromiso/financiaci%C3%B3n-de-proyectos-sostenibles/do-equator-principles-report-2020-en.pdf>

⁶ That encompasses Scope 1 and 2 for the Group's core geographies (G10).

In 2021, we continued to progress towards our goals:⁷



By doing this, Santander is helping to address today's main global climate and social challenges. Our activities and investments help us to address a number of the United Nations' Sustainable Development Goals, and support the Paris Agreement's aim to combat climate change and adapt to its

⁷ FY21 data.

⁸ According to relevant external indices in each country (Great Place to Work, Top Employer, Merco, etc.).

⁹ People supported through Santander Universities initiative (students who will receive a Santander scholarship, will achieve an internship in an SME or participate in entrepreneurship programmes supported by the bank). Commitment refreshed after early completion in 2020 (200k).

¹⁰ People helped through our community investment programmes (excluded Santander Universities and financial education initiatives).

¹¹ In those countries where it is possible to certify renewable sourced electricity for the properties occupied by the Group.

¹² Includes Santander overall contribution to green finance: project finance, syndicated loans, green bonds, capital finance, export finance, advisory, structuring and other products to help our clients in the transition to a low carbon economy. Commitment from 2019 to 2030 is EUR 220 bn.

¹³ People (unbanked, underbanked or financially vulnerable), who are given access to the financial system, receive tailored finance and increase their knowledge and resilience through financial education.

¹⁴ Senior positions represent 1% of total workforce.

¹⁵ Calculation of equal pay gap compares employees of the same job, level and function. Data reported annually.

effects.¹⁶

More information on our goals in responsible banking can be found on our website www.santander.com.

3.4. Supporting the green transition

Our ambition

Santander is fully committed to playing its part to achieve the objectives of the Paris Agreement while supporting its customers and economy. Our Group-wide ambition is to achieve net-zero emissions by 2050. This applies to the Group's operations (which have been carbon neutral since 2020) and emissions derived from our lending, advisory and investment services activities.

In April 2021, we became a founding member of the Net Zero Banking Alliance (under the United Nations Environment Programme Finance Initiative). It sets out to:

- (i) transition operational and attributable greenhouse gas (GHG) emissions from lending and investment portfolios towards pathways to net-zero by mid-century;
- (ii) set intermediate targets for 2030 (or sooner) in respect of priority GHG-emitting sectors;
- (iii) prioritize client engagement with products and services that facilitate their needed transition in the real economy.

Starting with the climate-material sectors, we are committed to progress in aligning our portfolios with the Paris Agreement by setting de-carbonization targets, and implementing our alignment strategy via integrating climate within our governance, strategy and risk management with commercial plans, risk policies and corporate standards.

We have set out courses of action and reviewed procedures and targets to transition our climate-material portfolios to net zero by 2050. Our July 2021 climate finance report¹⁷ provides details on this progress. This report will be updated and published annually.

Further information about our environmental impacts can be found in our Carbon Footprint Procedure and Report,¹⁸ along with our Report on Greenhouse Gas Emissions.¹⁹

Our strategy

Santander's four-pronged climate strategy and public commitments consider:

¹⁶ <https://www.santander.com/en/press-room/press-releases/2021/02/santander-group-sets-ambition-to-be-net-zero-by-2050-supported-by-first-decarbonization-targets>

¹⁷ <https://www.santander.com/content/dam/santander-com/en/documentos/informe-anual-de-sostenibilidad/2020/ias-2020-climate-finance-2020-21-en.pdf>

¹⁸ <https://www.santander.com/content/dam/santander-com/en/documentos/informe-anual-de-sostenibilidad/2020/ias-2020-grupo-santander-2020-carbon-footprint-procedure-and-report-en.pdf>

¹⁹ <https://www.santander.com/content/dam/santander-com/en/documentos/informe-anual-de-sostenibilidad/2020/ias-2020-independent-limited-assurance-report-on-greenhouse-gas-statement-en.pdf>

- (i) aligning our portfolio with the Paris Agreement and set sector- portfolio alignment targets in accordance with the Net Zero Banking Alliance (NZBA) and with the Net Zero Assets Manager initiative: we will align on our portfolios to ensure the projected carbon emissions are in line with limiting to a 1.5°C temperature increase compared to pre-industrial levels;
- (ii) supporting our customers in the green transition – helping customers transition to a lower carbon economy, with the commitment to raise and mobilize €120bn in green finance between 2019 and 2025 and €220bn by 2030; offering our customers guidance, advice and specific business solutions. Moreover, we enable our clients to invest according to their sustainability preferences with a full ESG investment offer available;
- (iii) reducing our environmental impact – remain carbon neutral and source electricity from renewable energy by 2025; and
- (iv) embedding climate into risk management: understanding and managing the sources of climate change risks in our portfolios and setting the courses of action and processes to manage it.

3.5. The Sustainable Finance Classification System (“SFCS”)

The second pillar, supporting our clients in the green transition, is key to meet our climate ambition. For that, in 2021 we created the Sustainable Finance Classification System (“SFCS”), an internal guide that enables us to recognize sustainable finance activities and measure them consistently throughout the Group. It draws upon the strictest standards in the market, such as the EU Taxonomy, the International Capital Market Association’s (ICMA) Social and Green Bond Principles, and Climate Bond Standards.

The SFCS provides us with a uniform and harmonized approach to sustainable finance designed to allow consistent activity tracking, support the development of themed solutions for our clients and mitigate potential greenwashing risk. It outlines the classification logic, eligibility parameters for social and green activities, the applicable environmental and social due diligence requirements, and the verification methodology for sustainable finance transactions.

The SFCS will be a key enabler to develop our sustainable finance proposition, complementing this Framework and our Green Finance Commitment and ensuring it is aligned with our climate ambition.

The SFCS will apply to all Santander business units and subsidiaries.

For further information on this document please see our Climate Finance Report.²⁰

4. Foundation for Santander Group’s Green, Social & Sustainability Funding Global Framework

Santander’s commitment to inclusive and sustainable growth and to the transition towards a low-carbon economy is materialized through various financial products and services, through which we are meeting our customers’ needs; helping companies create jobs; empowering people financially and getting them the education and training they need; financing renewable energy and smart, sustainable infrastructure to support the transition to a low-carbon economy; and being aware of social and environmental opportunities and risks.

²⁰ Climate finance report 2020 – June 2021 (santander.com)

With this in mind, Santander has converted its original 2019 Framework into this Santander Group Green, Social & Sustainability Global Funding Framework to enable the issuances by Banco Santander, S.A., and any of its consolidated subsidiaries, of Labelled Funding Instruments, in accordance with:

- the four core components of the Green Bonds Principles (GBP), Social Bonds Principles (SBP) and Sustainability Bond Guidelines (SBG) as organized by the International Capital Market Association (ICMA);
- the four core components of the Green Loan Principles (GLP) and Social Loan Principles (SLP) as organized by the Loan Market Association (LMA); and
- any specific regulation on Green, Social and Sustainability bonds applicable at the time of the launch.

For the avoidance of doubt, where LFI are launched under a labelled format other than bonds or loans (e.g. deposits, commercial paper, promissory notes, etc.), these will also follow the four core components of both sets of these respective Principles of the ICMA and LMA as noted above, as well as any specific regulation on Green, Social and Sustainability funding products applicable at the time of the launch.

The respective type of eligible assets (Eligible Assets) financed and/or refinanced by each LFI issued under this Framework, will be identified depending on the use of any of the following three labels:

- 1. Green LFI** address environmental sustainability through contributions to Eligible Assets which constitute a positive contribution to climate change adaptation or mitigation (GHG emissions avoidance or reduction) or to other environmental challenges (including, but not limited to, biodiversity, waste, water, renewable energy, energy efficiency) through clean energy production, energy savings, or other type of actions, aiming at reducing the GHG emissions.
- 2. Social LFI** address social sustainability challenges through contributions to economic systems key to human development (including, but not limited to, education, healthcare, social development, social housing) that could potentially seek to benefit target populations who live and work in economically and/or socially disadvantaged areas or communities. Such contributions include supporting small and mid-size enterprises (SMEs), local authorities, and non-for-profit organizations that seek to benefit people who live and work in areas as defined above.
- 3. Sustainability LFI** address a combination of both Green and Social Eligible Assets.

5. Use of Proceeds

An amount equivalent to the proceeds of any LFI issued under this Framework will be allocated by the borrowing entity to finance and/or refinance Eligible Assets within the identified eligible categories defined in this Framework (Eligible Categories, as detailed further below).²¹

Eligible Assets may be projects (project financing) or any other type of lending²² to clients whose business activities or whose financed assets are either: (i) identified as green, social or sustainable; or (ii) where specific lending is fully applied to green, social or sustainability uses that are in line with the Eligible Categories of this Framework.

For any LFI issuance undertaken, there will be a look-back period on OPEX investments and expenditures of 36 months from the date of the transaction (i.e. pricing date).

The initial allocation of the LFI proceeds to Eligible Assets will, on a best-efforts basis, be finalised within the following 36 months after the relevant LFI was launched.

Each borrowing entity under this Framework will be able to consider for the allocation of its LFI only the Eligible Assets that the relevant entity identifies (and confirms as *eligible* per the Eligible Categories criteria) from its own balance sheet –or consolidated perimeter–, thus avoiding any potential double counting or overlapping in the use of proceeds with LFI issued by other entities of the Group. For the avoidance of doubt, issuing entities cannot allocate the proceeds of their LFI to Eligible Assets booked outside of their own balance sheet –or consolidated perimeter–.

In creating the Eligible Categories lists and criteria to define Eligible Assets, the following external reference documents have been specifically taken into account:



- The ICMA and LMA Principles²³
- The EU Taxonomy for Sustainable Activities²⁴
- The United Nations Sustainable Development Goals²⁵

5.1. Green Eligible Categories

5.1.1. Sectors and activities covered

The following table outlines economic activities that contribute to environmental sustainability and, therefore, are eligible as green finance as long as the *eligibility criteria* detailed is satisfied.

5.1.2. Green eligibility criteria

Eligible category	Description of Eligible Assets / Eligibility Criteria	UN SDG alignment
Renewable energy	Construction, manufacture, installation, expansion, repair/renovation/ retrofit/improvement, transmission and distribution, purchase, operation, transport and maintenance of infrastructure (and land) to produce:	 
	<p>Energy Generation</p> <p>Solar power</p> <ul style="list-style-type: none"> • Small-scale²⁶ photovoltaic (PV) solar electricity production on rooftops is eligible. 	

- Large-scale PV electricity and concentrated solar power (CSP) production is eligible subject to a full social and environmental impact analysis.

Wind power

- Wind power production is eligible subject to a full environmental and social impact analysis.

Tidal power

- Tidal power production is eligible subject to a full environmental and social impact analysis.

Geothermal power

- Geothermal power production is eligible subject to a full environmental and social impact analysis and provided that direct emissions are below 100 grams CO₂e/kWh.

Hydroelectric power

- Hydroelectricity with a power density above 5W/m² or lifecycle emissions below 100gCO₂e/kWh
- For new projects over 25MW requires a full environmental and social impact analysis.

Green Hydrogen

- Hydrogen is eligible when it is produced from renewable electrolysis

Bioenergy

- Electricity from waste materials is eligible if:
 - it is from biomass or second-generation biofuels (such as animal manure and agricultural waste);
 - Have lifecycle GHG emissions intensity below 100g CO₂e/kWh;
 - waste has been separated, removing reusable /recyclable items before conversion;
 - Biogas is produced in closed or decommissioned landfills with gas capture systems that are at least 75% efficient.

²¹ Exceptionally, in the case of labelled collateralized issuances, an amount equivalent to the proceeds transferred to the relevant Santander entity that originated the collateralized assets by the issuing entity (i.e., the special purpose vehicle), will be exclusively applied by the former to finance and/or refinance new and/or existing Eligible Assets booked in its own balance sheet.







²² Including the financing for the acquisition of any asset or a right to use any asset (including, without limitation, loans, renting, leasing, and operating leases), among those described in the Eligible Categories.

²³ The Principles: ICMA's Green and Social Bond Principles ([icmagroup.org](https://www.icmagroup.org)), and LMA's Green & Sustainable Finance Documents ([lma.eu.com](https://www.lma.eu.com))

²⁴ https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-activities_en#why

²⁵ Sustainable Development Goals | United Nations Development Programme ([undp.org](https://www.undp.org))

²⁶ Defined by EIA as having capacity of less than 1 megawatt (MW), are usually located at the customer's site of electricity consumption. These small-scale PV installations are also called behind-the-meter, customer-sited, or distributed generation capacity.

	<p>Transmission and distribution of energy</p> <ul style="list-style-type: none"> For transmitting and selling electricity, the building or repair of infrastructure for renewable energy with less than 100gCO₂/kWh is eligible. Activities to improve electrical systems for more efficient electricity (including smart grid²⁷ development, distributed generation and peak demand management). <p>Energy Storage</p> <ul style="list-style-type: none"> Electrochemical and mechanical power storage are eligible; The construction of green hydrogen storage assets is eligible subject to a full environmental and social impact analysis; The operation of green hydrogen storage assets is eligible if they store eligible hydrogen (e.g., power-to-hydrogen systems based on water electrolysis are eligible); R&D of assets and activities described above, where the future asset product or process has a positive impact on the climate. 	
<p>Energy efficiency</p>	<p>Construction, manufacture, installation, expansion, repair/renovation/ retrofit/improvement, purchase, operation, transport and maintenance of:</p> <p>Energy Efficient Products, Technologies, and Software Applications</p> <ul style="list-style-type: none"> Data centre buildings (including refurbishment, expansion or purchase) for data processing, hosting and related activities are eligible if they comply with the European Code of Conduct for Data Centre Energy Efficiency and power usage effectiveness (PUE) is below 1.5. Energy saving in industrial processes (except carbon-intensive and fossil fuel-powered processes).²⁸ R&D of assets and activities described above, where the future asset product or process has a positive impact on the climate. 	  
<p>Pollution prevention and control</p>	<p>Construction, manufacture, installation, expansion, repair/renovation/ retrofit/improvement, purchase, operation and maintenance of activities that improve quality and efficiency, including sorting and treatment are eligible if:</p> <p>Waste Management</p> <ul style="list-style-type: none"> The aim is to recycle²⁹ or reuse the waste; 	   





²⁷ Defined per International Energy Agency (IEA): A smart grid is an electricity network that uses digital and other advanced technologies to monitor and manage the transport of electricity from all generation sources to meet the varying electricity demands of end-users. Source: https://unece.org/fileadmin/DAM/energy/se/pdfs/eneff/eneff_h.news/Smart.Grids.Overview.pdf

²⁸ This standard involves thresholds and requirements stated in such international industry guidelines as the Climate Bond Standards and the EU Taxonomy.

²⁹ Projects to recycle electronic waste require an E&S risk mitigation assessment to prevent health hazards and leakages of toxic substances into the surrounding environment.



	<ul style="list-style-type: none"> • Conversion ratios exceed 25% (conversion of reused or recycled non-hazardous waste into another raw material for use, mainly energy); • Installation and operation of infrastructure to capture and use landfill gas in permanently closed landfills with new or supplementary technical facilities and equipment installed during or after closure (efficiency > 75%). <p>GHG Reductions</p> <ul style="list-style-type: none"> • The aim is to test and monitor emissions and pollution as well as reduce GHG and air emissions and to minimize or re-use waste heat. • Solutions (including hardware and software) for data collection, transfer, storage, modelling and use exclusively to supply data and analysis for decision-making on GHG reduction (e.g., climate and GHG emissions monitoring systems. Solutions may include decentralized technologies (DLT), Internet of Things, 5G and artificial intelligence. • R&D of assets and activities described within, where the future asset product or process has a positive impact on the climate. • Projects that rely directly on fossil fuels and produce energy from fossil fuels are excluded.
<p>Environmentally sustainable management of living natural resources and land use</p>	<p>Production, purchase, investments and expenditure of:</p> <p>Growing of crops</p> <ul style="list-style-type: none"> • Sustainably produced crops that have been certified under a credible scheme: Global Good Agricultural Practice (Global GAP); EU Organic; or an equivalent national or international scheme (USDA Organic, Canada Organic, Rainforest Alliance, etc.). <p>Sustainable agricultural operations</p> <ul style="list-style-type: none"> • Recovery and restoration of degraded soil; biological nitrogen fixation; projects to reduce the use of synthetic fertilizers; projects to keep the use of pesticides to a minimum; biogas production (according to the eligibility criteria in 'Renewable Energy' category above); and crop rotation; • Low-carbon agricultural technologies that improve productivity and efficiency while reducing environmental impact (like crop sensors, vertical farming, hydroponics and aeroponics). <p>Protected agriculture</p> <ul style="list-style-type: none"> • Agricultural structures (such as greenhouses and shade houses) that save energy and water; operations that will either grow each crop within its natural cycle or source low-carbon energy for heat and power. <p>Afforestation / Reforestation</p> <ul style="list-style-type: none"> • Sustainable forestry projects certified under a credible scheme such as, Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC). Small holders may comply through an



	<p>independently reviewed sustainable forest management plan in lieu of FSC/PEFC certification.</p> <p>Land Conservation and Restoration & Soil Remediation</p> <ul style="list-style-type: none"> • Restoration of native and high conservation value forests; • Preservation of biodiverse land or valuable natural habitats; • Permanent conservation of land; • Soil remediation /remediating contaminated soil /land (not caused by the client/borrower, or the cause of contamination has been eliminated). <p>Sustainable Aquaculture</p> <ul style="list-style-type: none"> • Sustainably produced seafood that has been certified by the Aquaculture Stewardship Council (ASC). 	
<p>Terrestrial and aquatic biodiversity</p>	<p>Construction, manufacture, installation, expansion, repair/renovation/ retrofit/improvement, purchase, operation and maintenance of projects to preserve or conserve terrestrial, aquatic and marine biodiversity, natural habitats and landscapes. Work should be geared towards reputable third-party value and risk management certification.</p>	 
<p>Clean Transportation</p>	<p>Construction, manufacture, installation, expansion, repair / renovation/ retrofit /improvement, purchase, operation and maintenance of³⁰</p> <p>Land Transport</p> <ul style="list-style-type: none"> • Electric vehicles and trains; • Vehicles and trains (including hybrids) with less than 50g CO₂ per passenger-km or 25g CO₂ per tonne-km (freight) may be eligible until 2025; thereafter they will not be eligible under this Framework; • Green hydrogen-powered vehicles; • Development or improvement of railway transport to spur a shift from road to rail. • The primary purpose (more than 25% share) should not be the transportation of fossil fuel freight. <p>Water Transport</p> <ul style="list-style-type: none"> • Solar, electric or hydrogen-powered boats; • Motorless sail boats; • The primary purpose (more than 25% share) should not be the transportation of fossil fuel freight. <p>Transport Infrastructure</p> <ul style="list-style-type: none"> • Infrastructure for direct emission-free transport (e.g., charging points, grid connection upgrades, hydrogen filling stations and electric highways); • Infrastructure for active mobility (walking, cycling); • Electrified and non-electrified rail infrastructure if a plan for electrification or alternatively powered trains is in 	 

³⁰ Special parts should be used directly in clean modes of transport to be eligible. If a production facility is not purposed for green transport assets (e.g., internal combustion and hybrid engine vehicles), green assets require a pro-rata approach to be eligible.

	<p>place and consistent with the thresholds set out in 'Land transport' above;</p> <ul style="list-style-type: none"> • Infrastructure that is predominantly used for low-carbon transport if the fleet that uses it meets the direct emissions thresholds set out in 'Land transport' and 'Water Transport' above. • The primary purpose (more than 25% share) should not be the transportation of fossil fuel freight. 	
<p>Sustainable water and wastewater management</p>	<p>Construction, manufacture, installation, expansion, repair/renovation/ retrofit/improvement, purchase, operation and maintenance of activities that improve quality and efficiency, including sorting and treatment are eligible if:</p> <ul style="list-style-type: none"> • End-to-end water supply systems with a maximum average energy consumption (including abstraction, treatment and distribution) of 0.5 kWh per cubic metre of authorized, billed/non-billed water supply; • Systems that reduce average energy consumption by at least 20% (including abstraction, treatment and distribution; measured in kWh per cubic metre of authorized, billed/non-billed water supply); • Systems that narrow the gap between actual supply network leakage and a given low leakage target by at least 20%. The unit of measurement is the Infrastructure Leakage Index (ILI). The target low leakage is an ILI of 1.5; • Water treatment infrastructure powered by renewable energy; 	  
<p>Climate Adaptation</p>	<p>Construction, manufacture, installation, expansion, repair/renovation/ retrofit/improvement, purchase, operation and maintenance of:</p> <ul style="list-style-type: none"> • Financing the installation of climate observation and data systems or infrastructure designed to protect against flooding and other extreme weather events. Reporting and monitoring systems are directly eligible. • In climate change adaptation infrastructure projects, the potential borrower must have specified the climate challenge it aims to address and review its plans to make sure the project will achieve its adaptation goal (e.g., an entity seeking finance to build flood mitigation infrastructure should provide its plan to manage the project's own E&S impacts during construction, operation and end of life). • R&D of assets and activities described above, where the future asset product or process has a positive impact on the climate. 	
<p>Eco-efficient Products and Technologies</p>	<p>Construction, manufacture, installation, expansion, repair/renovation/ retrofit/improvement, purchase, operation and maintenance of:</p> <ul style="list-style-type: none"> • Products electricity-saving technologies and software aimed at reducing power consumption through demand management that have third-party environmental or energy performance certification such as ENERGY STAR (score of 85 or above) or Electronic Product Environmental Assessment Tool (EPEAT) (Gold or above), 	 

	<p>or other equivalent internationally-recognized or nationally-recognized labels/certification.</p> <ul style="list-style-type: none"> • R&D of assets and activities described above, where the future asset product or process has a positive impact on the climate.
<p>Green Buildings</p>	<p>Construction, manufacture, installation, expansion, repair/renovation/ retrofit/improvement, purchase, operation and maintenance of:</p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div> <p>Green Buildings</p> <ul style="list-style-type: none"> • Development, purchase, maintenance, extension, repair/retrofit and/or refurbishment of new or existing buildings to obtain energy efficiency certification (LEED Gold or above; BREEAM Excellent or above;³¹ Energy Performance Certificate (EPC) B or above, or EPC within top 15% of the national or regional building stock); or an equivalent international green building certification);³² • Retrofit of buildings to reduce primary energy demand by 30%. <p>Energy efficiency equipment in buildings</p> <ul style="list-style-type: none"> • Replacement of windows to boost energy efficiency; • Replacement of external doors to boost energy efficiency; • Replacement and installation of household appliances with an EU energy label rating of A or above; • Heating systems powered by renewable energy (e.g., renewable electricity, solar floor heating, biomass heaters). <p>Renewable energy infrastructure in buildings</p> <ul style="list-style-type: none"> • Photovoltaic solar modules, solar panels for hot water; • Transpired solar collectors; • Wind turbines; • Ground source heat pumps that use a refrigerant with GWP <10. <p>Instruments and devices to enhance buildings' energy use</p> <ul style="list-style-type: none"> • Zone and smart thermostats and sensors (especially for motion and daylight); • Building automation and control systems, building energy management systems (BMS), lighting control systems and energy management systems (EMS); • Smart meters for heating, cooling and electricity; • Façade and roofing elements with solar shading or control functions (especially for growing vegetation).

³¹ "Very good" can be acceptable with a minimum score of 70% in the Energy category.



³² Other equivalent Green Building certificate schemes eligible when in line with LEED Gold or above or BREEAM Excellent or above) including: EDGE (global); PassivHaus (global); BEAM Plus (Hong Kong); Green Mark (Singapore); DGNB Certification (Germany); HQE (France); Home Quality Mark 4 stars and above (UK/residential); Ecocasa (Mexico/residential); Certificado de Vivienda Sostenible (Chile/residential).

5.2. Social Eligible Categories

5.2.1. Sectors and activities covered

The following table outlines economic activities that address or mitigate a specific social issue and/or seek to achieve positive social outcomes. Activities are eligible as social finance as long as they are included within the definition, and satisfy the eligibility criteria and are directed for the specifically defined target population detailed further below.

5.2.2. Social eligibility criteria





Eligible category	Description of Eligible Assets / Eligibility Criteria	UN SDG alignment
Affordable basic infrastructure	<p>Construction, manufacture, installation, expansion, repair/renovation/ retrofit/improvement, purchase, operation and maintenance of:</p> <p>Energy</p> <ul style="list-style-type: none"> • Clean (renewable) energy production (in line with criteria defined above) and distribution lines and of integral buildings and structures in target population areas. • All fossil fuel projects are excluded. <p>Target population: Underserved, owing to a lack of quality access to essential goods and services (e.g. rural populations)</p> <p>Transport</p> <ul style="list-style-type: none"> • Over- and underground railways to bring socio-economic development to underdeveloped areas. <p>Target population: Underserved, owing to a lack of quality access to essential goods and services</p> <ul style="list-style-type: none"> • Transport infrastructure to help people with disabilities move around more easily (e.g., accessibility improvements to public transit networks). <p>Target population: People with disabilities</p> <p>Water and Waste Management</p> <ul style="list-style-type: none"> • Water collection treatment and distribution infrastructure and of integral buildings and structures in target population areas; • Sewage and wastewater treatment³³ and collection infrastructure (including wastewater transport) and of integral buildings and structures in target population areas; • Hazardous and non-hazardous waste collection, sorting, disposal, treatment and recycling (including the recovery of waste and dismantling of wrecks) in target population areas. <p>Target population: Underserved, owing to a lack of quality access to essential goods and services</p>	 

³³ Water from fossil fuel operations will not be considered eligible

	<p>Information and Communications Technology³⁴</p> <ul style="list-style-type: none"> • Telecommunications infrastructure, distribution lines and integral buildings and structures (especially fibre optic network, 5G networks and high capacity network deployment) in target population areas. <p>Target population: Underserved, owing to a lack of quality access to essential goods and services</p>
<p>Access to essential services</p>	<p>Public services are eligible only if related to free access for everyone regardless of ability to pay.</p> <p>Private centres are eligible if non-profit or if they guarantee access to vulnerable populations (regardless of their ability to pay).</p> <p>Construction, manufacture, installation, expansion, repair/renovation/ retrofit/improvement, purchase, operation and maintenance of:</p> <p>Education</p> <ul style="list-style-type: none"> • Public centres for educational services: nursery, primary and secondary schools; university buildings; and other facilities; • Public centres for other educational activities and services, including: <ul style="list-style-type: none"> • Academic tutoring • Learning centres that offer remedial courses • Preparation for professional exams • Languages and conversational skills • Computer training • Public sports and cultural education centres: arts, dance, sports, drama, music, etc;³⁵ <p>Target population: General public</p> <ul style="list-style-type: none"> • Educational loans for students if the terms and conditions offer a financial benefit. <p>Target population: Students</p> <ul style="list-style-type: none"> • Educational loans to finance reskilling and upskilling for adults. <p>Target population: Adults aged 25-65</p> <p>Human healthcare and related activities</p> <ul style="list-style-type: none"> • Public hospitals; centres for general healthcare, specialized medicine, physiotherapy, diagnostics, family planning and speech therapy; laboratories and field hospitals. • R&D for, and manufacture of: <ul style="list-style-type: none"> • Basic pharmaceutical products and preparations (including vaccines)

³⁴ Satellite, wired and wireless telecommunications.

³⁵ This section does not include: activities of cultural, entertainment and recreational interest, such as live performances, museums, gambling and sports and leisure; the operation of sports facilities and sports teams and clubs' activities.

	<ul style="list-style-type: none"> • Medical equipment and other supplies: radiation, electro medical and electrotherapeutic equipment, medical and dental instruments, etc. <p>Target population: General public</p> <ul style="list-style-type: none"> • Public³⁶ health services at specialized residential care/social work facilities: • Specialized residential care facilities (e.g., centres for nursing, learning disabilities, mental health, substance abuse treatment, the elderly, people with disabilities and other residential care activities for children, the homeless, orphans and other vulnerable groups). • Non-residential social work facilities (for the elderly and people with disabilities, children's day-care and other non-accommodation activities like counselling, helping victims of natural disasters and vocational training for the unemployed). <p>Target population: People with disabilities; aging populations and vulnerable youth; other vulnerable groups: children without families, people without permanent homes, people with substance abuse problems; migrants and/or displaced persons.</p>	
Affordable housing	<p>Social housing</p> <ul style="list-style-type: none"> • Construction of housing (and associated infrastructure) that meets authorities' socio-economic requirements. <p>Target population: People who meet the regional government's socio-economic requirements</p> <p>Owner lived in housing</p> <ul style="list-style-type: none"> • Granting of loans for housing (mortgages) for own residence purposes; this is considered a social activity if the loan the bank provides has an affordable interest rate and/or payment terms so that housing will remain affordable over time. <p>Target population: People without adequate housing, including the homeless and people in slums and informal settlements. Income is less than 80% of the average income for the area / income below the national median.</p>	 
Employment generation, and programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises, including through the	<p>Financial and Insurance Activities</p> <ul style="list-style-type: none"> • Lending to SMEs, MSMES (micro-SMEs) and entrepreneurs who are part of the defined target population. • Investment to increase access to a wide range of micro insurance and transactional banking products and services. • Financing relief or extension (e.g., affordable financing, favourable extended terms, etc.) to SMEs, MSMES (micro-SMEs) and entrepreneurs that have been 	 

³⁶ Private centres that are non-profit or affordable for vulnerable groups are eligible.

potential effect of SME financing and microfinance	<p>impacted by natural, health and/or human-made disasters, and are deemed materially significant to the local economy either because of the sector they support, the jobs they provide or the services they offer.</p> <p>Target population: SMEs, microentrepreneurs, microenterprises and informal workers that are in underdeveloped regions within the relevant country or areas experiencing depopulation or that are affected by natural or health disasters; (ii) rural population that work in farming production and the value chain; or (iii) entrepreneurial women.</p>
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Note: For any LFI transaction, allocation to R&D expenditure will be capped at a maximum 10% of the use of proceeds.

5.2.3. Target Population References

Target population	Definition
Adult learning	Education that specifically targets individuals deemed adults in their society to improve their technical or professional qualifications; develop their skills; enrich their knowledge with the purpose of completing a level of formal education; or to upskill or reskill them.
Excluded and/or marginalized populations and communities	Individuals who are unable to participate in economic, social, political and cultural life on account of their ethnicity, religion or language, as well as the process leading to and sustaining such status.
General public	General population (as long as the service/activity is affordable and accessible).
Informal worker	Workers that engage in street vending, home-based work, waste picking, domestic jobs, and other short-term contracts. They may be undocumented, they usually are classified as living just above the poverty line, and they may not qualify for or even seek government support in normal times.
Living below the poverty line	Population whose income is below 50% of the average adjusted income per household.
Migrants and/or displaced persons	People who have been forced to leave their homes or have voluntarily left their country of origin (including refugees, stateless people and asylum seekers).
Other vulnerable groups, including people who have suffered natural disasters	Any group susceptible to suffering discrimination based on its socio-economic background and status: students; sole traders; small business owners; freelancers; start-ups and entrepreneurs; children without families; homeless people; substance abusers, etc.
Owner lived in housing	People without adequate housing, including the homeless and people in slums and informal settlements. Income is less than 80% of the average income for the area / income below the national median.
People with disabilities	People with temporary or permanent disabilities who may experience poor health; have less access to healthcare, education and work opportunities; and are more likely to live in poverty than people without disabilities.
Senior citizens and vulnerable youth	Ageing populations: Senior citizens with difficult or limited access to infrastructure and services. Young people are considered a vulnerable group because of their unstable financial situation.

SMEs & Microenterprises	Non-subsidiary, independent firms of reduced size, according to the definition of the relevant national regulation
Underdeveloped areas	Remote and sparsely populated areas, that might suffer exclusion from /lack of services and access due to their remoteness/political exclusion.
Undereducated	People who have not completed mandatory education or wish to undertake a higher degree of studies that they previously could not attain.
Underserved who do not have quality access to essential goods and services	People without basic infrastructure (e.g. rural/isolated populations). People who are unbanked (i.e. from households without a current or savings account who may rely on AFS) or otherwise have limited access to mainstream financial services.
Unemployed	Share of population of working age who were not in employment, carried out activities to seek employment during a specified recent period and were currently available to take up employment given a job.

5.3. Exclusions to Use of Proceeds

Projects that are related the any of following operations will be excluded from this Framework and any use of proceeds, according to Santander Group's sectorial policies:³⁷

Sector / Policy	Prohibited Area
Defense	<ul style="list-style-type: none"> • Antipersonnel mines • Cluster Munitions • Chemical or biological weapons • Nuclear weapons • Ammunition containing depleted uranium
Energy	<ul style="list-style-type: none"> • New coal-fired power plants projects worldwide (from 2030, any entities with more than 10% of revenues, on a consolidated basis, derived from coal-fired power generation) • New clients with coal-fired power plants worldwide (except for transactions for the specific financing for renewable energy) • Nuclear power plants – subject to conditions set out in Santander's sectorial policies • The development, construction or expansion of oil sands projects in non-designated countries • The development, construction or expansion of oil and gas drilling projects north of the Arctic Circle • Projects or activities located in areas classified as Ramsar Sites, World Heritage Sites or by the International Union for Conservation of Nature (IUCN) as categories I, II, III or IV
Mining & Metals	<ul style="list-style-type: none"> • Extraction, processing and marketing of asbestos • Extraction and marketing of rough diamonds from producer countries involved in war conflicts, or not certified by the Kimberley process • Mining activities relating to the so-called "conflict minerals", which are extracted from conflict areas, which are not included in the corresponding certification processes • Project-related financing for new, or the expansion of, thermal coal mines or the construction or expansion of infrastructure supporting coal mines • Mining activities without a specific treatment to avoid tailings disposal in riverine or shallow sea environments (as tailings dam)

³⁷ <https://www.santander.com/en/our-approach/policies>

	<ul style="list-style-type: none"> • New clients with thermal coal mine projects worldwide; any exposure to thermal coal mining worldwide by 2030 • New clients with coal mining operations
Soft Commodities	<ul style="list-style-type: none"> • Developments in forested peatlands in High-Risk Geographies • Extraction and sale of native tropical wood species not certified to FSC • Palm oil processors that are not members of the RSPO

6. Project Evaluation & Selection Process

As a first step in our project evaluation and selection process, and in order to ensure appropriate environmental and social risk assessment as part of it, Santander apply international best practices regarding social welfare and the environment, particularly the Equator Principles (EP), as a signatory since 2009.

Furthermore, the Group has approved specific policies in sensitive sectors such as the Defense Policy and the Environmental, Social and Climate Change Risk Management Policy that contain the criteria for analysing risks in customers' activities in the energy, soft commodities and mining & metals sectors, with particular focus on those that may have a direct impact on the environment, or a long-term effect on climate change.

On top of the referred approach, outlined above, which applies to all lending / business activities, and in order to ensure the alignment of the Eligible Assets to the criteria set out in this Framework, Santander have also established the following governance and procedures:

6.1. Global Sustainability Funding Steering group

Santander had established a Sustainable Bonds Steering group made up of senior directors and managers with responsibility for governing the Santander Global Sustainable Bonds Framework. This Steering group will be now rebranded as a Global Sustainability Funding Steering group (or the "Global Steering" group), and will be responsible for this updated Framework, and specifically the implementation and monitoring of the processes in place that govern it.

The Global Steering group considers senior representatives from the areas of, but not limited to, Financial Management (IR and Funding), Responsible Banking, E&S Risk, Legal, Compliance, Corporate & Investment Banking, Commercial Banking.

The Global Steering group shall generally meet on a quarterly basis, or otherwise as frequently as the chair may determine.

The main objective of this Global Steering group is to have a formal internal forum, in which all the involved areas can discuss matters relating to this Framework, specifically, but not limited to: the issuances of LFI from under it; the respective governance procedures; the origination activity and the Eligible Assets volume monitoring; and the ongoing reporting requirements. Within this Global Steering group, members will be encouraged to discuss ideas, share practical advice and best practice solutions from their own area of expertise.

The Global Steering group will also lead the responsibilities of a Local Steering group, as defined below, for Santander Group's parent entity, Banco Santander, S.A.

6.2. Local Sustainability Funding Steering groups

Local Sustainability Funding Steering groups (a “Local Steering” group for each issuing entity) will be separately established to govern each relevant entity's activity under this Framework, in terms of Eligible Asset identification, evaluation and selection, management of proceeds, and ongoing reporting.

Each Local Steering group will be made up of senior directors and managers from relevant local business lines, as mentioned for the Global Steering group above, and others that each issuing entity may consider relevant.

The responsibilities of the Local Steering groups are to:

- Establish at the time of contemplating an LFI issuance an ‘Eligible Assets Register’ (i.e., protected data file / internal information system) that lists the total ‘Eligible Assets portfolio’ (i.e., all Eligible Assets identified on the entity's balance sheet that align with the eligibility criteria of this Framework and that will be used for the allocation of that LFI).
- Active management and quarterly review of allocated Eligible Assets (i.e. as listed in the Eligible Assets Register) to ensure that they remain in line with the eligibility criteria of this Framework
- Active management and quarterly review of the Eligible Assets Register (see below Management of Proceeds for further details) to ensure it remains [at least equal] to the amount of issued outstanding LFI out of the specific local entity
- Active management and quarterly review of total Eligible Assets portfolio to clearly identify volume of unallocated Eligible Assets available for use for any potential new LFI (see below Management of Proceeds for further details)
- Create the annual report on the allocation and impact of the Eligible Assets allocated to the relevant LFI
- Review and recommend for approval any new green, social, sustainability LFI that require allocation to identified Eligible Assets on the local entity's balance sheet
 - Local Steering groups should be informed by all local business lines of any initiative to create a new LFI, to ensure (i) that there are sufficiently available Eligible Assets for the consideration of such allocation; (ii) that any new LFI has also been notified to the Global Steering group; and (iii) overall alignment with the Eligibility Criteria of this Framework
- Keep track of the development of new green, social, sustainability products approved at local level by the relevant internal committees, and inform the Global Steering group about them in a timely manner
- Report to the Global Steering group of any relevant development on the items covered above

7. Management of Proceeds

Each Local Steering group will keep track of the Eligible Assets allocated to all outstanding LFI via an Eligible Assets Register. This Eligible Assets Register will be a subset of that entity' total Eligible Assets portfolio (i.e., all Eligible Assets identified on that entity's balance sheet).

For LFI in the form of deposits, the department raising the funds (typically Treasury or CIB) should, in advance, seek approval from their Local Steering group on a capped amount of potential labelled deposits (i.e. a maximum volume that could be simultaneously reached by outstanding labelled deposits), identifying the relevant Eligible Assets that are going to be pre-allocated for that purpose. In

turn, said Local Steering group will incorporate the relevant Eligible Assets into their Eligible Assets Register, so they cannot be considered for any other LFI allocation.

Ordinarily, for each issuing entity, upon settlement of any LFI, the net proceeds of the LFI will be credited to the relevant entity's treasury account and incorporated into its general liquidity pool; no specific accounts will be created for LFIs.

If proceeds cannot directly be allocated to Eligible Assets, the proceeds will be held in accordance with the issuing entity's normal liquidity management policy. While awaiting allocation to Eligible Assets, the proceeds will be integrated into the treasury's liquidity reserve, largely composed of cash, sovereign securities and other tradable assets, and will not be invested in loans to clients which are explicitly excluded from the regular lending policies and which participate in the activities listed above (in the Exclusions to Use of Proceeds subsection).

In case of divestment of any Eligible Asset, or if an Eligible Asset fails to ensure continued compliance with the Eligibility Criteria, or if early repayment of an Eligible Asset occurs, the Local Steering group will be responsible for replacing the allocated amount with new Eligible Asset(s) as soon as reasonably practicable, and ideally within a 12-month period from when the change in status of the original Eligible Asset was identified.

No forward-looking period limitation will apply to the replacing Eligible Assets.

8. Reporting

All issuing entities will, on an annual basis until full allocation and thereafter in case of material changes, create and publish an annual report that contains both allocation and expected impact metrics on the proceeds of outstanding LFI. Each Local Steering group will be responsible for creating and publishing the annual report.

The reporting will be made on a portfolio basis (except for deposits), grouping all the applicable LFI issued by the relevant entity.

The first report by any entity with LFI outstanding will be published during the calendar year after the relevant LFI was launched.

Reporting on a deposit will disclose the Eligible Category the Use of Proceeds are allocated towards, in line with market norms.

8.1. Allocation Reporting

Each annual report will provide information on the allocation of the proceeds of the relevant portfolio of LFI. The information will contain at least the following details:

1. Aggregated information about the Eligible Assets corresponding to the relevant portfolio of LFI, such as:
 - Category of Eligible Asset(s)
 - Location of Eligible Asset(s)
 - Outstanding drawn amount
 - Where practical, and if relevant, operational status (under construction or in operation)
2. The remaining balance of unallocated proceeds, if any, of relevant LFI;
3. The share of new financing vs. re-financing;

8.2. Impact Reporting

The impact reporting will include:

1. A qualitative description of the portfolio of Eligible Assets allocated to the relevant LFI;
2. The impact pursued with the relevant portfolio of Eligible Assets, and a description of the chosen key impact indicators (KPI), as per the indicative KPI list in the table below;
3. Information on the methodology and assumptions used to evaluate the portfolio of Eligible Assets' impacts

8.2.1. Green Eligible Categories

Eligible Category	Indicative impact reporting metrics
Renewable energy	<ul style="list-style-type: none"> • Annual GHG emissions reduced/ avoided in tonnes of CO₂ equivalent • Annual renewable energy generation in MWh/GWh (electricity) and GJ/TJ (other energy) • Capacity of renewable energy plant(s) constructed or rehabilitated in MW • Length (km) of connecting transmission infrastructure supported • Energy storage capacity created <p>Note: Where CO₂ emissions figures are reported, the GHG accounting methodology and assumptions will be referenced</p>
Energy efficiency	<ul style="list-style-type: none"> • Annual energy savings in MWh/GWh (electricity) and GJ/TJ (other energy savings) • Annual GHG emissions reduced/avoided in tonnes of CO₂ equivalent <p>Note: Where CO₂ emissions figures are reported, the GHG accounting methodology and assumptions will be referenced</p>
Pollution prevention and control	<ul style="list-style-type: none"> • Annual volume of waste that is prevented, minimised, reused or recycled before and after the project in tonnes of dry solids or in reduction % • Reduction of NO_x or SO_x or particulates (PM_{2.5} and PM₁₀) or VOC before and after the project • GHG pollution monitoring systems supported and range (area / type) of analysis provided
Environmentally sustainable management of living natural resources and land use	<ul style="list-style-type: none"> • Area cultivated by precision agriculture in km² • Increase in agricultural land using more drought resistant crops in hectares • Area reforested / protected by precision agriculture in km² • Rehabilitated areas in km² • Reduction in changes in the nutrient and/or pH level for agricultural soils • Reduction in contaminant levels in mg contaminant kg⁻¹ • Sustainable aquaculture
Terrestrial and aquatic biodiversity	<ul style="list-style-type: none"> • Number of indigenous species, flora or fauna restored through the project • Number of invading species and/or area occupied by invading species before and after the project • Changes in the CO₂, nutrient and/or pH levels for coastal vegetation, and coral reefs
Clean Transportation	<ul style="list-style-type: none"> • Annual GHG emissions reduced/avoided in tCO₂ equivalent • Passenger-kilometres (i.e. the transport of one passenger over one kilometre) and/or passengers; or tonne-kilometres (i.e. the transport of one tonne over one kilometre), and savings after the project • Length (km) of connecting infrastructure supported • Reduction of air pollutants: particulate matter (PM), sulphur oxides (SO_x), nitrogen oxides (NO_x), carbon monoxide (CO), and non-methane volatile organic compounds (NMVOCs)

Sustainable water and wastewater management	<ul style="list-style-type: none"> • Annual water savings in absolute (gross) water use before and after the project in m³ or reduction in water use in % • Annual absolute (gross) amount of wastewater treated, reused or avoided before and after the project in m³, population equivalent, or in % • Annual absolute (gross) amount of raw/untreated sewage sludge that is treated and disposed of (in tonnes of dry solids and in %) • Annual absolute (gross) amount of sludge that is reused (in tonnes of dry solids and in %)
Climate Adaptation	<ul style="list-style-type: none"> • Number of people and/or enterprises (e.g. companies or farms) benefitting from measures to mitigate the consequences of floods and droughts • Reduction in emergency and unplanned repair and replacement of infrastructure damaged by natural disasters • Reduction in land loss from coastal / flooding erosion
Eco-efficient Products and Technologies	<ul style="list-style-type: none"> • The increase in number of products and/or the share of production awarded an internationally recognised eco-label, or energy, eco-efficiency or other relevant environmental certification
Green Buildings	<ul style="list-style-type: none"> • Number, size, use of green building certification of Green Buildings • Annual GHG emissions reduced/avoided in tonnes of CO₂ equiv. vs local baseline/baseline certification level • Amount of renewable energy installed in building • % of energy use reduced/avoided vs local baseline/building code

8.2.2. Social Eligible Categories

Eligible Category	Indicative impact reporting metrics
Education	<ul style="list-style-type: none"> • Number of beneficiaries reached with the activity • Number of students/ beneficiaries who have been recipient of the loan
Human health activities	<ul style="list-style-type: none"> • Number of people who use these products • Number of people benefitting from the healthcare facilities • Number of people benefitting from these care/social work services
Transport	<ul style="list-style-type: none"> • Number of total beneficiaries (i.e. number of people/ target populations reached with the roads, railway, subway and/or infrastructure)
Energy	<ul style="list-style-type: none"> • Number of total beneficiaries (i.e. number of people reached with the power infrastructure related activity)
Water and Waste Management	<ul style="list-style-type: none"> • Number of people reached with the water, wastewater and/or waste infrastructure related activity
Real Estate	<ul style="list-style-type: none"> • Number of people (average family unit size number of mortgages) who benefit from the mortgage and/or construction of houses
Financial and Insurance Activities	<ul style="list-style-type: none"> • Number of people who have been recipient of the finance/microfinance
Information and Communications Technology	<ul style="list-style-type: none"> • Number of people who are going to receive an internet connection for the first time

9. External Review

9.1. Second-Party Opinion (SPO)

Santander has appointed Sustainalytics to provide an external review in the form of an SPO for this Framework.

The SPO document will be made available on Santander's website³⁸ and on the website of any local issuing entity who uses this Framework for the issuance of LFI.

9.2. Post issuance external verification on reporting

Each local entity will obtain a limited assurance on the annual reporting from an independent third party. This could be the SPO provider, or an otherwise qualified institution.

This will be made available together with the relevant annual reporting on the website of any local issuing entity.

³⁸ <https://www.santander.com/en/shareholders-and-investors>

