

CONTRIBUTIONS FOR SOCIAL PURPOSES

Policy

Santander Group

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1 INTRODUCTION

1.1 Purpose and context

The purpose of this policy is to delimit and regulate the process of proposal, assessment, decision, control and monitoring of those free contributions that the Santander Group considers making for social purposes, developing in this sense the reputational risk corporate model.

1.2 Definition and scope

Companies must undertake a commitment to society beyond the results they generate, strengthening links with their employees, customers, investors and society itself.

Santander Group organizes initiatives and projects in order to contribute to sustainable social and economic growth and development in communities where the Group operates.

It makes this contribution on a voluntary, free and transparent basis through a number of instruments. However, this may be a source of reputational risk and therefore the Group must have properly defined criteria for the action to be taken.

This policy applies to contributions for social purposes, which may be in cash or in kind.

Contributions with no social purpose are excluded from the scope of this policy, and are regulated by their own regulations, specifically:

- Gifts, acts of courtesy and invitations of little value, which shall be governed by the provisions of the General Code of Conduct and its implementing regulations.
- Contributions and funding to political parties, or bodies dependent on political parties, shall be governed by the provisions of the general policy for the funding of political parties.
- Any contributions or sponsorships with no social purpose entailing an advertising, commercial or institutional consideration (such as sponsorships, institutional contributions, etc.), irrespective of the beneficiary, which shall also be governed by the specific regulations applicable.

They are also excluded from the scope of this policy and managed by their internal processes:

- Contributions made by Santander Universities, which will be governed by the internal processes defined and reviewed in the Santander Universidades "budget, expenses and investments monitoring meeting".
- Contributions made by foundations, or similar entities, related to the Santander Group.
- Collections made by non-profit entities up to 2000 euros and punctual contributions for less than 1000 euros. In both cases excluding any activity involving advertising for the bank.

1.3 Scope

This policy is prepared by Banco Santander, S.A., in its condition of parent company of Santander Group, resulting directly applicable to the Corporate Center, and is provided to the entities comprising the Group as a reference document, establishing the rules to be applied to the subject to which it refers.

Group entities are responsible for their own internal regulations, and for developing and approving in their respective governing bodies their own internal regulation that allows the application within its scope of the provisions contained in the Group regulation, with the absolutely essential adjustments, if any, to make them compatible and meet regulatory and management requirements or the expectations of their supervisors.

Such approval must contain the validation of the Corporation.

2 APPLICATION CRITERIA

Santander group social contributions will be ruled by the following criteria:

2.1 Criteria relating to the materialization of contributions

Contributions may materialize:

- Contributions and donations.
- Through collaboration agreements between the Santander Group company making the contribution and the beneficiary of the contribution.

2.2 Criteria related to the purpose of the contributions

Contributions must have one of the following purposes, which are basically in keeping with implementation of the principles established in the Santander Group's Sustainability Policy:

- The defence of human rights, as proclaimed by the UN's Universal Declaration of Human Rights.
- Education, science, employment, innovation and entrepreneurship.
- Research, in its various fields and formats.
- Human welfare and social development.
- The strengthening of institutions and the implementation of democratic principles.
- The preservation and protection of the environment.
- Art and culture.
- Other social purposes accepted by the Santander Group. (e. g. healthcare)

2.3 Beneficiary criteria

Contributions may be made to the following recipients:

- a) Non-profitmaking social bodies, such as foundations, NGOs, associations, trusts and other similar bodies linked and non- linked to Santander
- b) The Central, Regional and local governments, as well as their organizations.
- c) International Organizations
- d) Profitmaking bodies, when the Contribution is made exclusively for social purposes.

- e) Contributions to individuals shall not be permitted, unless they are made pursuant to a specific programme that has already been approved in accordance with this Policy.

These recipients must have the competence, capacity and authorisations required of them to carry out their activities and services. Neither these bodies nor their administrators may be disqualified or involved in judicial proceedings or any other situations or conflicts that could prevent or difficult the use of the contribution, or potentially damage the reputation of the Santander Group.

For these purposes, the function requesting the contribution (hereinafter, the sponsor function) must, except in cases b and c of this of this section, obtain a declaration¹ from the beneficiary entity, in which it must state whether any of the circumstances stipulated are applicable, notwithstanding any analyses or requirements for additional documentation on the part of the Sponsor, should it deem this appropriate.

Internal regulations concerning appointments and assessments of suitability shall also apply to bodies not subject to the governance model, when it is necessary to appoint a representative of the Santander Group in the governing bodies of the organizations benefiting from the contributions regulated in this policy.

2.4 Criteria related to the process

The process of contributions with a social purpose is based on the phases detailed in this section. In each of them, what is regulated here must be followed.

2.4.1 Application Form

The sponsor function is responsible for collecting, analyzing and keeping the documentation that makes up the contribution file.

The Guide on contributions for social purposes contains all the details of the documentation to be included in the contribution file, which should include:

- Statement² from the sponsor function confirming that, having performed the relevant analysis, it is complete and complies with the requirements established in this policy.
- The agreement of the responsible banking function regarding the suitability of the contribution and beneficiary, in relation to the sustainability strategy of the Santander Group.
- The favorable opinion of the reputational risk function of Compliance & Conduct (hereinafter, C&C) , as described in the Guide on social purpose contributions.
- The legal counsel function should be informed of the contribution in order to, if deemed appropriate, it may intervene documenting the contribution, without prejudice to the fact that if they notice any issue about the contribution, can make this clear.

2.4.2 Approval

Contributions for social purposes will follow the following approval process:

¹ The template for the declaration of the beneficiary entity is included in the corresponding Guide regarding contributions for social purposes.

² The template for the statement from the sponsor function is included in the corresponding Guide regarding contributions for social purposes.

- Contributions approved by the corresponding governing body of the sponsor function or the person in charge of the Division or Corporate area to which it belongs:

Donations up to 50,000 euros, unless any of the circumstances indicated in the following point apply.

The sponsor function of the contribution shall submit it to the approval of said body, or person responsible for the Division or Corporate area, to whom the application file (which shall include what is indicated in section 2.4.1 Application file) shall be sent, and which must be available to them, and to the control functions involved in the process ³ at any time.

- The Contributions listed below must be submitted for approval to the Executive Committee of Banco Santander, S.A⁴ (from now on, EC):
 - Those above 50,000 euros or those below this amount, when the combined sum of all contributions made by Santander Group entities to the same beneficiary over the last year exceeds 50,000 euros.
 - Any Contributions made to companies running communication media, to their foundations or other organizations related thereto.
 - Any Contributions made to particularly sensitive sectors or beneficiaries: when, in the opinion of the sponsor function, responsible banking function and/or the C&C Reputational risk and function, the Contribution may be particularly sensitive in terms of the sector involved or of the members of the governing body of the organization receiving it.

In any case, the EC must approve the contributions to those entities whose management and governing bodies include, in an individual capacity⁵, members of senior management or members of the board of directors of Banco Santander, S.A. or any of its subsidiaries.

The function sponsoring the contribution to be submitted to the EC for approval must submit the statement on the dossier (described in section 2.4.1 Application dossier), including the favorable opinions of the corporate responsible banking, C&C reputational risk and legal counsel functions, to the Corporation's General Secretariat for submission to the EC.

- Contributions subject to EC validation.
 - Local contributions with a value exceeding 50,000 euros.

The local sponsoring function must obtain the prior approval, under the same conditions, of the first level local body (local Board or Executive Committee) of the Group's head entity

³ Functions involved in the process (responsible banking function, reputational risk function of compliance and conduct, and legal counsel).

⁴ Santander Group parent company

⁵ For these purposes, it is understood that they are members in an individual capacity, when their appointment has not been made at the Bank's proposal, to act in its name and on its behalf in said administrative and governing bodies.

in the country where the contribution is made before submitting it to the EC for validation. Approval shall be the responsibility of said local body once EC validation has been obtained.

- Contributions not necessarily subject to EC validation.
- For local contributions that, being below 50,000 euros, are contemplated in the previous sections corresponding to media and particularly sensitive sectors or beneficiaries, the local first level body, together with the local C&C reputational risk function, may decide not to submit them for validation by the EC.

The approval shall be the responsibility of the local body and shall be communicated for information purposes by the local C&C Reputational Risk function to the C&C Corporate Reputational Risk function, as set forth in the following section.

2.4.3 *Formalization and implementation*

The sponsor function of the contribution, as responsible for the contribution and custodian of the file, will be responsible for, once the contribution has been authorized:

- Ensure that the payment is made through the function or Group entity with the payment function assigned. .
- Collect the necessary supporting documentation to obtain any tax benefits that may be applicable to the contribution which must be filed with the rest of the documentation and be available to be handed over at the request of the Tax Advisory function. .Request legal counsel function, , where appropriate, to intervene documenting the contribution.
- To inform C&C reputational risk function of the approved contributions and the amount actually paid.

2.4.4 *Register*

The local C&C function shall be responsible for maintaining the record of contributions made, which shall include at least the following information:

- Identity of the sponsoring function.
- Identity of the beneficiary.
- Date of the request for the contribution.
- The amount or the asset being contributed, including, if applicable, the value of the asset.

C&C corporate reputational risk function shall be responsible for keeping a record of the contributions made within the Group.

The responsible banking function, as well as those corporate functions that request it, will have access to these records in order to be able to measure the social action of the Santander Group.

2.4.5 *Monitoring and reporting*

The sponsor function of the contribution is responsible for monitoring the contribution and, if applicable, requesting from the beneficiary entity, the justification that the asset or the amount contributed has been used for the agreed purpose or activity.

The local C&C function will report semi-annually on the contributions made by each local unit in this period to the corporate C&C function and will report them, at least annually, to the local Compliance and Conduct Committee.

The Santander Universities function will report, at least annually, on the contributions made to the corporate Reputational Risk function.

The corporate C&C function will report annually to the Compliance and Conduct Committee on the contributions made in the period in all units.

3 **GOVERNANCE AND POWERS**

The governance of Santander Group social purpose contributions will be carried out as follows, without prejudice to compliance with the applicable general corporate regulations.

3.1 **Executive Committee**

- It is responsible for approving the contributions of the corporation for social purposes indicated in the approval section 2.4.2.
- It is responsible for validating the contributions of the local units for social purposes indicated in the approval section 2.4.2.

3.2 **Compliance and Conduct Committee**

- It is responsible for annually reviewing the social contributions made in the Group.

3.3 **Corresponding governing body of the sponsoring or responsible function of the division or corporate area to which it belongs.**

- It is responsible for approving the corporation's contributions for social purposes indicated in the approval section 2.4.2.

4 **CONTROL AND EVIDENCES**

Contributions made for social purposes must have monitoring and control mechanisms to ensure compliance with the criteria set forth in this policy and the established governance.

Specifically, the following control mechanisms are established:

- Sponsor's statement
- Beneficiary entity statement
- Review of the corporate responsible banking, C&C reputational risk and, if necessary, legal counsel functions.

The following documentary support elements are established in order to evidence the application, in accordance with the established governance, of the criteria set forth in this policy.

- Contribution file
- Six-monthly report on the contributions made to the corporate reputational risk function.
- Annual report to the Compliance and Conduct Committee.

5 GOVERNANCE OF THE POLICY

5.1 Ownership of the policy

The reputational risk function (compliance and conduct) is responsible for drawing up this policy.

The approval of this version corresponds to Executive Committee.

Subsequent revisions of this document after the approval date, will be approved by Compliance and Conduct Committee.

5.2 Interpretation

The reputational risk function (Compliance & Conduct) shall be responsible for the interpretation of this policy.

In case of conflict between the Spanish version and the English version, the Spanish version will always prevail.

5.3 Effective date and review of the policy

This Policy shall come into force on the date it is published. Its content will be subject to periodic review in order to make the changes deemed necessary.

6 CHANGE CONTROL

ID	In charge	Maintenance	Validation	Approved	
				Committee	Date
2RP171-1	EC	B. Beneytez	Compliance Policies	EC	07 jul 18
2RP171-2	B. Beneytez	J.Alperi	Compliance Policies	EC	08 nov 21

ID	Description
2RP171-1	First version of the policy
2RP171-2	Updating of the document to adapt the approval circuit to the current government. Referral to the procedural technical aspects guide.