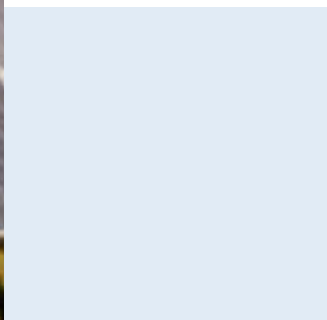




# Building Paths to Prosperity

Santander US  
Environmental, Social  
and Governance Report

2021



# ESG Report: Building Paths to Prosperity

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## ESG Highlights

### Empower People and Businesses



**46,000+**

individuals counseled with financial education

**\$100M**

multi-year investment to execute consumer banking digital transformation strategy

**167,000+**

financially empowered people<sup>1</sup>

**Nearly 50%**

of jobs filled internally

### Foster Inclusive Communities



**400+**

partner organizations supported

**100,000+**

people helped<sup>2</sup>

**25,000+**

volunteer hours

**\$18M**

charitable giving

**0.0%**

Equal Pay Gap<sup>3</sup>

### Support the Green Economy



**100%**

carbon neutral in operations

**\$3.1B**

renewable energy finance exposure, supporting \$7.8B in total deal size (including other participating banks)

**47.7%**

electricity from renewable sources

**\$79.2B**

total deal size of sustainability linked transactions in which Santander US (with other banks) participated

**100%**

elimination of single-use plastics where feasible

**\$14B**

#### Five-year Inclusive Communities Plan

**\$12.1B** – Lending in underserved communities

**\$1.9B** – Community development investments

**\$57M** – Charitable contributions

**65,000+** – Volunteer hours in underserved communities

<sup>1</sup> Financially empowered people include those impacted through financial education training and grants; recipients of specialized lending products; and people who gained housing through investments in affordable housing projects.

<sup>2</sup> People helped include beneficiaries of grants provided for social purposes and people impacted by volunteer hours provided by Santander US.

<sup>3</sup> The equal pay gap gauges the difference in compensation for women and men in the same job at the same level. Our comparison does not consider certain factors, such as tenure, years of service, previous experience and background. Effective February 20, 2023, this figure was restated from the original report to address a correction in calculations. The effect is to reduce the pay gap from 0.2% to 0.0%.

# Continued Global Volatility and the Role of ESG

From global pandemics, geopolitical tensions and extreme weather events to market volatility and inflationary concerns, companies must navigate the unpredictable — not only to survive today, but also to be sustainable tomorrow. As part of one of the most respected banks in the world, with more than 155 million customers in Europe, South America and North America, we are focused on bringing global Environmental, Social and Governance (ESG) best practices to our US clients and the marketplace.

The Santander US ESG strategy focuses on three primary pillars: empowering people and businesses, fostering inclusive communities and supporting the green economy. We are making strides in executing this strategy, which is why we are releasing our inaugural annual ESG report. It details our progress as we continue to focus on building paths to prosperity for our customers, employees and communities.

In addition to measuring how we are delivering against our goals, the report also illustrates the immediate and long-term impact of this work. To that end, below are a few highlights:



- ▶ **Empower people and businesses:** We work hard to ensure we are providing tools and solutions to our customers to enable them to achieve their financial goals. In 2021, we provided financial education to more than 46,000 individuals and small businesses, while expanding our signature small business program, Cultivate Small Business.

We are investing in our colleagues, including supporting their career development and financial wellness. Last year, nearly 50 percent of our jobs were filled internally, we raised the minimum wage to \$20 per hour and launched Operation Hope's HOPE Inside financial wellness programming for colleagues at Santander Consumer.

Diversity, equity and inclusion are not only tenets of our Santander culture; they are also business strategies. Internally, we sponsor seven employee resource groups (ERGs): the Asian American and Pacific Islander (AAP), Black Organization for Leadership and Development (BOLD), Conexión (Hispanic and Latino), Embrace (LGBTQ+), EmpowHER (women), THRIVE (caregivers and abilities) and the Veterans ERGs.

- ▶ **Foster inclusive communities:** In 2017, Santander Bank (SBNA) launched our Inclusive Communities Plan (ICP), representing an \$11 billion, five-year commitment to community support via community development lending and investments, charitable grants and volunteering. Our investment totaled \$14 billion during the program's tenure, exceeding our goal by \$3 billion. This included more than \$12.1 billion in lending and \$1.9 billion in investments to underserved communities, as well as \$57 million in grants and more than 65,000 volunteer hours by our colleagues.

Santander Consumer (SC) has steadily grown charitable giving through the Santander Consumer USA Foundation and recently launched a \$35 million, multi-year effort focused on digital inclusion to provide free high-speed internet access, computers and digital skills training to low-income families.

- ▶ **Support the green economy:** At Santander US, we are leveraging our global resources to support our customers in the transition to a low-carbon economy and have become a national leader in renewable energy, with \$3.1 billion renewable energy finance exposure supporting \$7.8B in total deal size in 2021. This included our participation as financial advisor and joint lead arranger in Vineyard Wind, the first large-scale offshore wind farm in the US. *Project Finance International* named this transaction "Global ESG Deal of the Year."

We are also pursuing corporate-wide goals to align with the Paris Agreement and achieve net zero by 2050. Our operations have been carbon neutral since 2020 and we are on track to meet our pledge to be powered 100 percent by renewable energy by 2025.

Thank you to all of our employees, customers and partners for their support on our ESG journey. I look forward to what lies ahead as we continue to provide the tools for a more sustainable world, helping people and businesses prosper.

Respectfully,



Tim Wennes  
Santander US CEO





“Santander is committed to enabling inclusive and sustainable growth. As one of the world’s largest banks with nearly 5 million customers in the US, we have a responsibility and an opportunity to support our customers and communities in the transition to a low-carbon economy.

Ana Botín, Executive Chair, Banco Santander, S.A.

”

# About this Report

Historically, Santander US has published an annual Corporate Social Responsibility Report. This year, we transition to a more robust, annual ESG Report to better serve our stakeholders and communities. We are committed to increasing transparency and voluntary disclosure about our business and operational activities. This report was designed to outline our impact across key topics and issues that are important to both our business and our varied and diverse stakeholders. Included in this report are summaries of our business, community and environmental impact, as well as our public commitments as a global and US financial institution.

## SCOPE

This report covers the core activities of Santander Holdings, USA, and its subsidiaries in the US from January 1 to December 31, 2021, which corresponds to Santander's fiscal year. It gives economic, social and environmental information according to our accounting criteria. Of note, important updates and signature programs launched in the first half of 2022 may also be referenced in these pages. Finally, we share plans for future reporting and disclosure. Please note that some numbers may be rounded.

## REPORTING FRAMEWORKS AND STANDARDS

The data and topics that are included in Santander US' ESG Report are guided and informed by the GRI reporting standard, and this report meets the GRI Standards (core option). The GRI standard is one of many recognized ESG reporting frameworks that provide topics and structure and advise companies on which ESG data and information to disclose. This makes company disclosure comparable across the industry. The GRI framework is one of the most widely used reporting frameworks and contains universal, topic and sector standards, which are used together to comprehensively disclose and organize ESG reporting. GRI reporting topics are voluntary, but GRI itself is a tool that demonstrates our commitment to reporting transparency. This report is also informed by the ESG reporting frameworks our parent company, Banco Santander, utilizes. These additional frameworks include the Sustainability Accounting Standards Board (SASB), recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), and the World Economic Forum (WEF) Stakeholder Capitalism metrics. Included in the appendix of this report is the full GRI index, which maps our company's data, disclosure and reporting to the GRI's indicators.

### Restatement of data

Data may be restated from previous years or reporting, because information has been updated or information was not available at the time of a previous report. In the case of a restatement, a note is provided with the data.

## DISCLAIMER

This report has been prepared in conjunction with high-level global public commitments and objectives developed by our parent, Banco Santander, S.A. ("BSSA"). The targets and objectives referred to in this report are aspirational; as such, no guaranty or promise is made that they will be met or implemented successfully. The statistics, metrics and other data and information included in this report are not audited and are not necessarily prepared in accordance with generally accepted accounting principles ("GAAP"). The information and any underlying assumptions contained in this report are expected to evolve over time. This report covers the consolidated business of Santander Holdings USA, Inc. and its subsidiaries ("SHUSA") and does not address the performance or operations of SHUSA's vendors, suppliers, customers or other third parties.

This report is not comprehensive and should be read in conjunction with SHUSA's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q.

This report contains certain terms used in the Global Reporting Initiative's framework and standards, such as "material" and "materiality." This terminology may be used differently than the same terms as they may be used in other disclosures SHUSA may make from time to time.

This report contains certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding our corporate social responsibility and environmental, social, and governance targets, goals, objectives, commitments, programs and other business plans and initiatives. These statements are typically accompanied by the words "anticipates," "believes," "estimates," "expects," "forecasts," "goals," "intends," "plans," "projects," "may," "will," "should," "would," "could" and similar terms. Although SHUSA believes that the expectations reflected in these forward-looking statements are reasonable as of the date on which the statements are made, among the factors that could cause SHUSA's performance to differ materially from that suggested by the forward-looking statements are the risks and uncertainties described in SHUSA's filings with the Securities and Exchange Commission from time to time. If one or more of the factors affecting SHUSA's forward-looking statements renders those statements incorrect, SHUSA's actual results, performance or achievements could differ materially from those expressed in or implied by the forward-looking statements. Readers should not consider these factors to be a complete set of all potential risks or uncertainties as new factors emerge from time to time.

The information in this report is for general information purposes only and does not constitute legal, tax, accounting, financial or investment advice of any kind or an offer to invest, and in making this report available SHUSA gives no advice and makes no recommendation to buy, sell, or otherwise deal in shares or other securities of Santander, SHUSA, Santander Bank, N.A., Santander Consumer USA Inc. or any other securities or investments. Prior to making any investment, a prospective investor should consult with its own investment, accounting, legal and financial advisors to evaluate independently the risks, consequences and suitability of that investment.





## Strategy

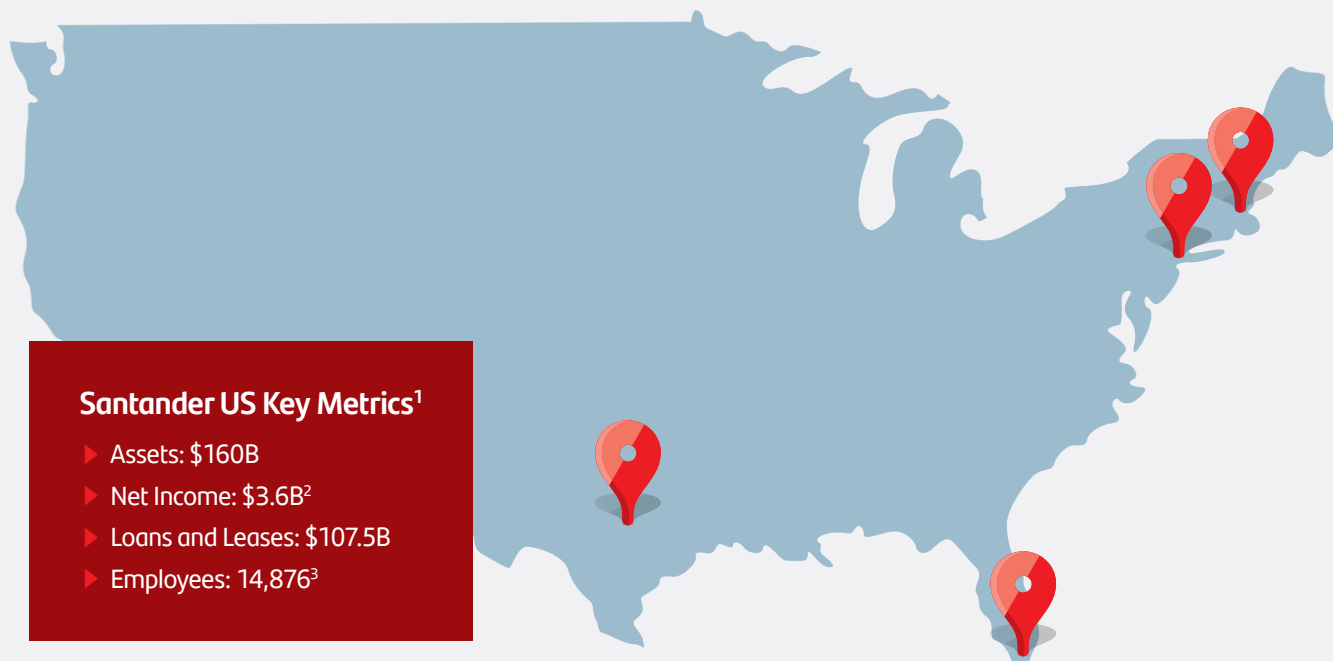
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Santander US is a diversified financial services institution headquartered in Boston, Massachusetts. Our financial services businesses employ nearly 15,000 employees and service about 5 million customers across the United States. **Learn more at [santanderus.com](https://www.santanderus.com).**

Santander US is a wholly owned subsidiary of Banco Santander S.A. (BSSA), a leading global retail and commercial bank, founded in 1857 and headquartered in Spain. Led by Group Executive Chairman Ana Botín, Santander Group has a meaningful presence in 10 core markets in Europe and the Americas and is the largest bank in the Euro Zone by market capitalization. At the end of 2021, Santander Group had 152.9 million customers, 9,879 branches and 197,000 employees.

## BUSINESS MODEL AND STRATEGY

Santander US combines a strong depositary base in the Northeast with its nationwide auto finance, wealth management, commercial and corporate banking capabilities.



### SANTANDER BANK, N.A. (SBNA)

Retail and Commercial Banking, Corporate and Investment Banking, Commercial Real Estate

- ▶ Assets: \$102B
- ▶ Net Income: \$502.8M
- ▶ Loans and Leases: \$54.3B
- ▶ Employees: 8,806
- ▶ Branches: 483
- ▶ Customers: 2M
- ▶ ATMs: 2,100 with 1,000 in CVS Pharmacy locations
- ▶ Acquired<sup>4</sup>: 2009

### SANTANDER CONSUMER USA (SC)

Auto Financing and Servicing

- ▶ Assets: \$47.7B
- ▶ Average Managed Assets: \$64B
- ▶ Net Income: \$3.3B
- ▶ Loans and Leases: \$47.9B
- ▶ Employees: 5,101
- ▶ Customers: 3M
- ▶ Acquired<sup>4</sup>: 2006

### SANTANDER INVESTMENT SECURITIES (SIS)<sup>5</sup>

Securities and Capital Markets

- ▶ Assets: \$4B
- ▶ Net Income: \$36.6M
- ▶ Employees: 206
- ▶ Established: 1994

### BANCO SANTANDER INTERNATIONAL (BSI)

International Private Banking

- ▶ Assets: \$8B
- ▶ Assets Under Management: \$28.9B
- ▶ Net Income: \$96.6M
- ▶ Loans and Leases: \$5.4B
- ▶ Employees: 562
- ▶ Established: 1979

<sup>1</sup> Includes Holding Company and Corporate Center. All YTD net income and balance sheet figures are as of December 31, 2021 in US GAAP. Full-time employee and customer counts are approximate.

<sup>2</sup> This amount excludes income attributable to non-controlling interest of \$638.9M.

<sup>3</sup> Includes 201 employees of Banco Santander S.A., New York Branch, which operates as a US branch of Banco Santander based in New York City.

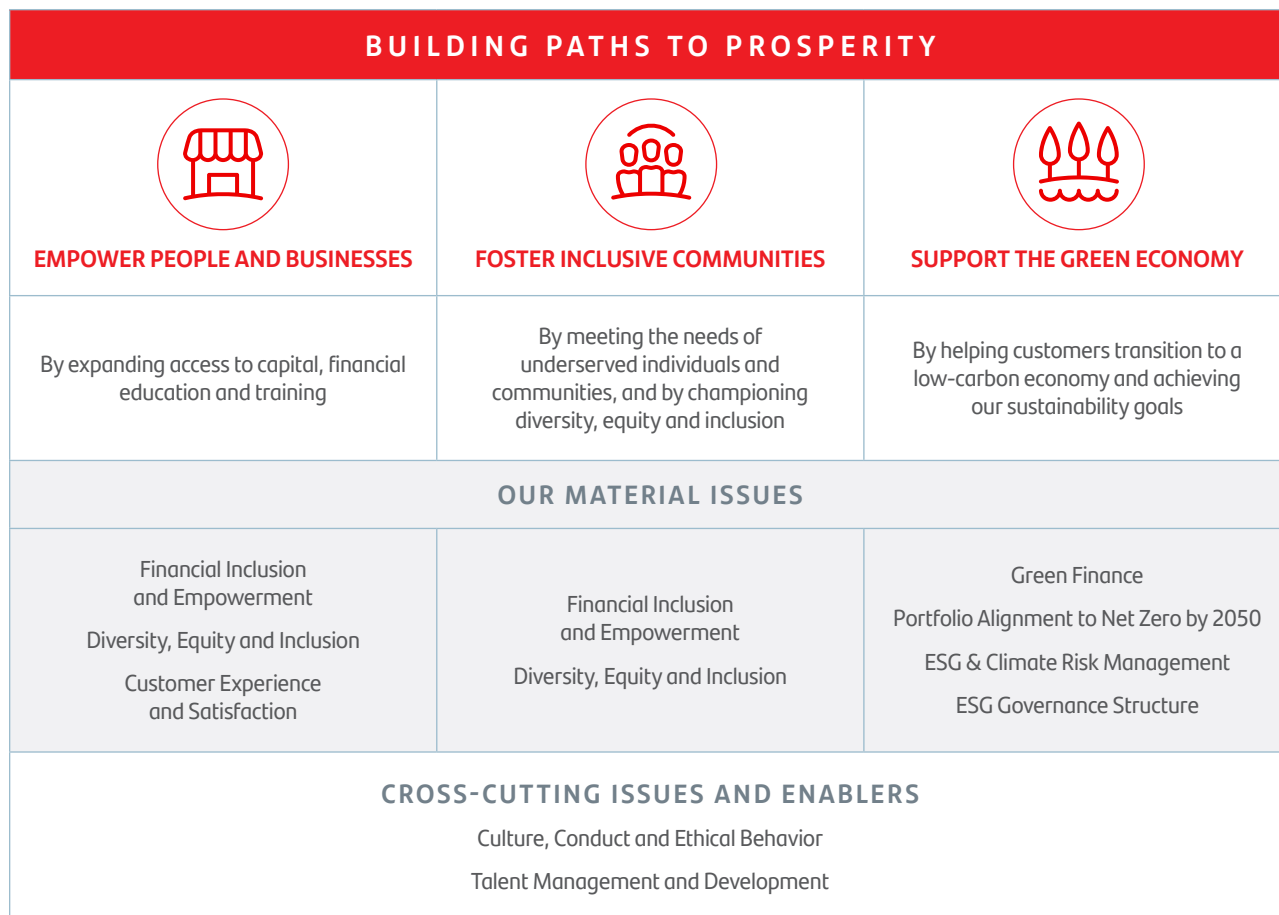
<sup>4</sup> Notes on acquisitions: 90% of Drive Financial acquired in 2006, renamed Santander Consumer in 2007. Full acquisition of Sovereign Bank in 2009, renamed Santander Bank in 2013.

<sup>5</sup> Santander Holdings announced its acquisition of Amherst Pierpont Securities (APS), LLC., a market-leading fixed-income broker-dealer on July 15, 2021. The acquisition was completed April 11, 2022. Along with SIS, APS is a part of Santander US' Corporate and Investment Banking business.



## Advancing our Strategy

Our approach to ESG is built from the issues that are most important to our business and stakeholders. Our strategy has three pillars, which support us in our goal of helping people and businesses prosper and allow us to address a number of societal challenges.



Santander US made many important strides to advance our ESG strategy in 2021 and into 2022 to further embed ESG priorities across Santander US. Areas of progress include:

### Strengthening the foundation

- ▶ Established the US ESG Office and conducted the first US ESG materiality assessment
- ▶ More formally established ESG and climate risk functions
- ▶ Implemented more rigorous ESG reporting and controls
- ▶ Adopted the Santander Group Sustainable Finance Classification System to support transparent development of green, social and sustainable finance opportunities

### Social

- ▶ Completed five-year Inclusive Communities Plan, providing more than \$14B in funding
- ▶ Established a US-wide Office of Diversity, Equity and Inclusion
- ▶ Launched Digital Inclusion Initiative
- ▶ Expanded Cultivate Small Business to six states, doubling its size

### Environmental

- ▶ Further developed climate risk management framework
- ▶ Enhanced green and sustainable finance offerings
- ▶ Maintained top rankings in renewable project finance

### Governance

- ▶ Enhanced board oversight and reporting
- ▶ Established ESG Working Group
- ▶ Enhanced supplier diversity program

## PUBLIC COMMITMENTS AND OUR PROGRESS

In 2019, our parent company, Banco Santander, announced 11 public commitments that reflect our company's commitment to responsible and sustainable banking goals. Through these commitments, we've worked to embed ESG criteria into our business operations and take action on our commitment to the United Nations (UN) Sustainable Development Goals and targets set in the Paris Agreement on climate change.

Santander US aligns our efforts around our global public commitments and has developed a strategy that supports our shared efforts to meet these commitments while acknowledging the unique needs of our US footprint, clients, customers and communities.

In 2021, Santander Group, including all countries, met or exceeded all of our commitments for 2019-2021, while making progress on our future targets. Banco Santander also added new public commitments, which include initial decarbonization targets for the power industry by 2025 and 2030, measured by emission intensity.

### Santander Group Future Public Commitments<sup>1</sup>

	2021	Target	Period
1. Electricity from renewable resources	75%	100%	by 2025
2. Thermal coal-related power and mining phase out	€7B	0 exposure	by 2030
3. Reduce emission intensity in power generation portfolio <sup>2</sup>	.23 tCO <sub>2</sub> e/MWh	.18 tCO <sub>2</sub> e/MWh .11 tCO <sub>2</sub> e/MWh	by 2025 by 2030
4. Green finance raised and facilitated (cumulative) <sup>3</sup>	€65.7B	€120B €220B	2019-2025 2019-2030
5. Sustainable investment (AUM under ESG funds)	€27B	€100B	by 2025
6. People financially empowered (cumulative) <sup>3</sup>	7.5M	10M	2019-2025
7. Women in senior positions	26.3%	30%	by 2025
8. Equal Pay Gap	1%	0%	by 2025

### Maintain commitments achieved:

► Be carbon neutral in our operations

► Eliminate single-use plastics in our buildings and offices, where feasible

► Have a Group board of directors with 40-60% women members

<sup>1</sup> All Banco Santander commitments represented in Euro (€).

<sup>2</sup> The 2021 figure of 0.23 tCO<sub>2</sub>e/MWh corresponds to the latest available portfolio data (2019).

<sup>3</sup> The 2021 figure is a cumulative figure from 2019.

## STAKEHOLDER ENGAGEMENT

Santander US stakeholders fall within the following broad categories: customers, employees, communities, investors, government and suppliers. Communication channels and material topics are further defined below.

STAKEHOLDER	CHANNELS	MATERIAL TOPICS
<b>Customers</b> 	ESG Materiality Assessment Complaint Management Roundtables and Focus Groups Voice of the Customer/Client Surveys Client Events Regular Meetings and Correspondence Financial Literacy and Education Events Corporate Website Social Media	Green Finance Diversity, Equity and Inclusion ESG Governance Culture, Conduct and Ethical Behavior Privacy, Data Protection and Cybersecurity Customer Experience and Satisfaction
<b>Employees</b> 	ESG Materiality Assessment Corporate Intranet Employee Engagement Surveys Town Halls, Team Meetings, Leadership and Manager Communications Ethics Hotline DEI, Programs and Events Performance, Development and Learning Initiatives Volunteer Activities	Culture, Conduct and Ethical Behavior Talent Management and Development Diversity, Equity and Inclusion Portfolio Alignment to Net Zero by 2050 Customer Experience and Satisfaction
<b>Communities</b> 	ESG Materiality Assessment Community Advisory Boards (National, MA/NH, RI/CT, NY, NJ, PA & DE) Community Partnerships with Nonprofits and CDFIs including Financial Education and other Programming Volunteerism Philanthropic Investments, including SC Foundation Nonprofit Board Engagement Corporate Website	Culture, Conduct and Ethical Behavior Green Finance Talent Management and Development Diversity, Equity and Inclusion Financial Inclusion and Empowerment Privacy, Data Protection and Cybersecurity
<b>Investors</b> 	ESG Materiality Assessment Shareholder Engagement Program, including Correspondence, Meetings, Presentations Earnings Presentations and Roadshows Securities and Exchange Commission (SEC) Filings Fixed Income Presentations Corporate Website	Culture, Conduct and Ethical Behavior Green Finance Portfolio Alignment to Net Zero by 2050 ESG Governance Structure Diversity, Equity and Inclusion Financial Inclusion and Empowerment Privacy, Data Protection and Cybersecurity ESG and Climate Risk Management
<b>Government</b> Regulatory Bodies Trade Associations Standard Setters 	ESG Materiality Assessment Regulatory Oversight, including Exams and Continuous Monitoring Interactions through Regulatory and Government Affairs Teams Regulator-sponsored Events, Trainings and Initiatives Engagement with Trade Associations on Public Policy and Regulatory Matters	Culture, Conduct and Ethical Behavior Diversity, Equity and Inclusion Privacy, Data and Cybersecurity Information Transparency and Disclosure
<b>Suppliers</b> 	ESG Materiality Assessment Supplier Onboarding and Ongoing Relationship Management Meetings and General Correspondence	Green Finance

## MATERIALITY ASSESSMENT

To effectively focus our ESG strategy at Santander US, our company stakeholders – both internal and external – participated in an issue prioritization exercise to identify our most material ESG issues in terms of importance to our business and our community.

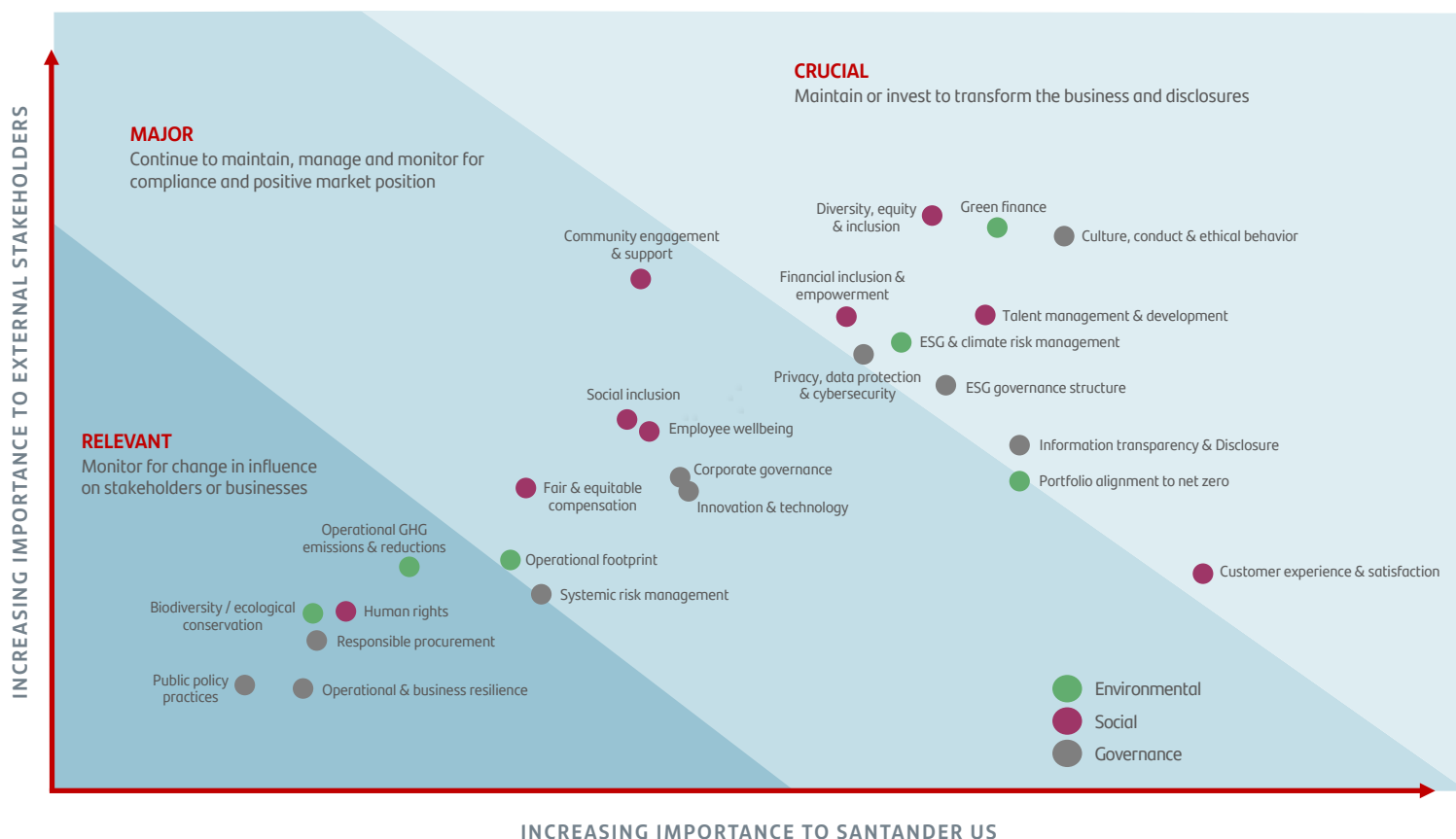
This exercise identifies a range of issues across the ESG categories. Ultimately issues are prioritized and plotted on a matrix, which ranks issues based on impact to our business and our community.

Santander conducted this assessment through interviews, surveys and research with key stakeholders. Stakeholders included, but were not limited to, our executive and board leadership, investors, customers, colleagues, nonprofit and community partners, regulators and peers. Our assessment methodology aligns to Santander Group's broader methodology and included three phases:

1. Material topic identification: Develop a preliminary list of topics based on a variety of internal and external sources.
2. Stakeholder input collection: Conduct surveys, interviews and research to capture stakeholder input.
3. Scoring and validation: Assign weights to different topics and generate materiality matrix.

The issues identified in this prioritization will drive our ESG strategy and reporting in the years ahead.

## Stakeholder and business engagement resulted in a prioritized map of Santander US material ESG topics





## Material Topic Definitions

### ENVIRONMENTAL

Green Finance	Support our customers in their transition to a low-carbon economy by embedding environmental factors in products and risk analyses, and by supporting the growth of sustainable financial product markets.
ESG & Climate Risk Management	Ensure our risk management framework incorporates customers' and operations' environmental (e.g., climate) and social (e.g., human rights) risks, and outline them in policies and procedures.
Portfolio alignment to Net Zero Achieved by 2050	Analyze our portfolios' carbon footprints and align them with the Paris Agreement by taking actions to steer them to net zero, applying climate methodologies and setting targets.

### SOCIAL

Diversity, Equity and Inclusion	Create an equitable workplace and community that promotes and empowers team members with diverse backgrounds, identities and other factors.
Customer Experience and Satisfaction	Support customers and local economies with products and services that meet their needs. Provide services and products that are Simple, Personal and Fair. Innovate and use digital technologies to maximize access to products and services.
Financial Inclusion and Empowerment	Design, develop and deliver products and services that ensure access to the financial system and meet credit needs. Build resilience through financial education.
Talent Management and Development	Attract, engage and retain a productive and talented workforce with benefits and development opportunities. Ensure meritocracy.

### GOVERNANCE

Information Transparency and Disclosure	Provide clear and comparable business information in an accessible manner that demonstrates accountability and credibility.
Culture, Conduct and Ethical Behavior	Ensure exemplary conduct across all operations by being Simple, Personal and Fair in all we do; embed I AM Risk culture and best-in-class policies and controls on employees' conduct; promote transparency toward customers.
Data Protection and Cybersecurity	Manage the risks from collecting, retaining and using personal information.

## ALIGNMENT TO UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The United Nations Sustainable Development Goals (SDGs) are a universal framework for accomplishing 17 important global outcomes by 2030, and provide a guide for embedding sustainability within our business. Santander US aligns to these goals and is focused on advancing those which are most relevant to our ESG pillars, including<sup>1</sup>:

EMPOWER PEOPLE AND BUSINESSES	FOSTER INCLUSIVE COMMUNITIES	SUPPORT THE GREEN ECONOMY
  	       	  
HIGHLIGHTS		
<p>More than \$100 million multi-year investment to execute consumer banking digital transformation strategy</p> <p>\$18M philanthropic donations</p> <p>46,000+ counseled in financial education</p> <p>Nearly 50% of jobs filled internally</p> <p>Cultivate Small Business expanded to 6 states</p>	<p>167,000+ financially empowered people</p> <p>400+ partner organizations supported</p> <p>25,000+ volunteer hours</p> <p>\$2.3M Racial Equity Initiative</p> <p>0.0% Equal Pay Gap</p> <p><b>\$14B INCLUSIVE COMMUNITIES PLAN, INCLUDING:</b></p> <p>\$1.5B small-business lending in communities of color</p> <p>\$1.4B in affordable mortgage lending</p> <p>\$3.3B mortgage lending to people of color</p>	<p>\$3.1B in renewable energy finance exposure, supporting \$7.8B in total deal size</p> <p>\$79.2B total deal size of sustainability linked transactions in which Santander US participated</p> <p>Carbon neutral in own operations</p> <p>Elimination of single-use plastics, where feasible</p>

<sup>1</sup> For more information on the SDGs see the Appendix.

## PARTNERSHIPS

As part of the Santander Group, our ESG agenda and strategy is supported by a number of key partnerships and initiatives.



## United Nations Global Compact

### United Nations Global Compact

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



### United Nations Environment Programme Finance Initiative

We are a founding signatory to the United Nations Principles for Responsible Banking.



Glasgow Financial Alliance for Net Zero

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



### United Nations Principles for Responsible Investment



### Equator Principles



CDP (Carbon Disclosure Project)



Partnership for Carbon Accounting Financials (PCAF)

## Environmental

---

We believe that climate change and the future health of our environment are two of the biggest challenges facing our world. We are fully committed to the goals of the Paris Agreement and to supporting the transition to a climate-resilient and zero-carbon economy.





## OUR APPROACH

To make progress against our commitments, we are focused on three strategies:

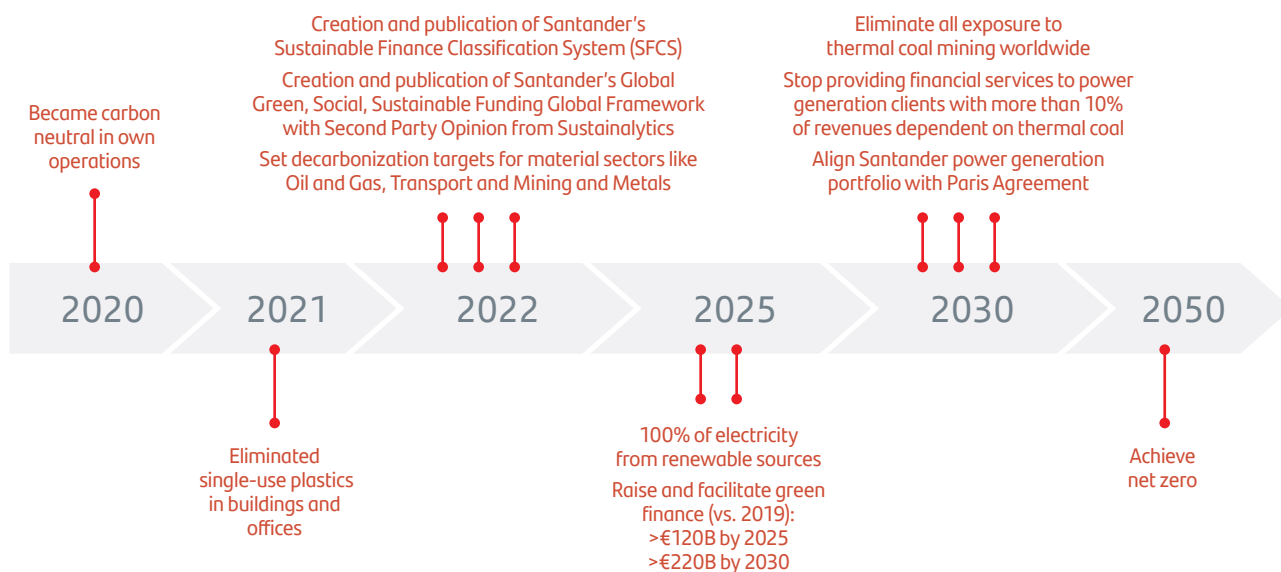
- Effective climate risk management, which identifies, assesses and manages climate-change-related risks
- Supporting the sustainable transition
- Reducing our environmental footprint

Our strategy supports Santander Group in our global commitment to achieve net zero emissions by 2050, and to help customers transition to a low-carbon economy through better products, services and support. Further, we recognize the disproportionate effects that both climate change and the transition to a low-carbon economy can have on vulnerable populations. With this in mind we are committed to understanding and mitigating the effects of climate change, and to working toward a just and orderly transition.

In 2021, our efforts continued to focus on creating more opportunities for green financing as well as activities and investments to reduce our own environmental footprint.

## OUR JOURNEY

Santander Group continues to make progress in our global commitment to address climate change.











## SANTANDER US ENVIRONMENTAL HIGHLIGHTS

<b>\$3.1B</b> renewable energy finance exposure, supporting \$7.8B in total deal size	<b>47.7%</b> electricity from renewable sources	<b>Carbon Neutrality</b> in our operations beginning in 2020
<b>\$2.4M</b> disaster relief (2017-2021) <sup>1</sup>	<b>100%</b> elimination of single-use plastics, where feasible	<b>\$697M</b> hybrid electric vehicles financed

## OUR COMMITMENTS

Banco Santander has made a number of environmental and climate-focused public commitments, which we have met or are on track to meet on a global basis.

 Green Finance raised or facilitated: <b>€120B by 2025</b> <b>€220B by 2030</b>	 Sustainable investment (AUM under ESG funds): <b>€100B by 2025</b>	 Electricity from renewable sources <b>100% by 2025</b>	 Carbon neutral in our operations <b>Since 2020</b>
 Elimination of unnecessary single-use plastics in buildings and branches <b>100% in 2021</b>	 Thermal coal power and mining phase out <b>\$0 exposure by 2030</b>	 Reduce emissions intensity in power generation portfolio <b>0.18 tCO<sub>2</sub>e/MWh by 2025</b> <b>0.11 tCO<sub>2</sub>e/MWh by 2030</b>	 <b>Cease financing power companies</b> with more than 10% of revenue from coal-fired power generation by 2030

<sup>1</sup> Includes support provided by SBNA and SC to communities affected by natural and man-made disasters.

# Climate Risk Management

## ENVIRONMENTAL AND CLIMATE RISK

Climate-related risks have become a priority for financial institutions, their clients and communities. Numerous stakeholders, including governments, regulators and investors are working to better understand the nature and magnitude of climate risk and the potential impact on banks' strategies, profitability and overall resilience.

Santander US considers climate risk as a risk that will manifest through impacts to other existing risk types. We define climate-related risk in two categories:

1. Transition Risks, or those that develop from the transition to a low-carbon economy, including:
  - ▶ Policy actions and regulation: efforts to constrain activity leading to negative effects or to promote adaptation to climate change
  - ▶ Technology risk: arises from innovation to support transition, such as renewable energy or electric vehicle batteries
  - ▶ Market: shift in supply or demand in certain commodities as climate-related risks are considered
2. Physical Risks, or those that result from direct physical effects of climate change:
  - ▶ Acute: increased severity from weather events
  - ▶ Chronic: climate change impacts that occur over time

The physical and transition risk text box demonstrates ways in which climate risk could impact strategy for sustainable growth in the short, medium and long term.

Through our rigorous risk management processes, we identify, assess, manage and report risks that arise from pursuing our strategic objectives and operations. As a transverse risk, climate risk is being incorporated and embedded into the Santander US Enterprise Risk Management Framework. We have further refined our approach to managing environmental, social and climate change (ESCC) risks within our Reputational Risk Policy and Guide to Climate Change Financial Risks, which assess sectoral specific risks. In 2022, climate risk considerations were added to the Material Risk Program, and on a qualitative basis, to Santander US credit and reputational risk appetite statements (RAS). Quantitative RAS metrics are in development to align with Santander global ambitions and local standards. Santander US will identify emerging risks and continue to assess existing risks, which are evolving and changing due to climate risk and regulatory priorities, recognizing that some risks may be difficult to assess given current data limitations and uncertainties.

In 2022, Santander US created a climate risk function within Enterprise Risk Management to integrate climate considerations into the Santander US risk management framework, policies and processes. A cross-functional working group on climate-change-related risk was formed to respond to the evolving landscape and regulatory trends. We continue to work to embed climate risk assessment and management into our practices, improve risk data capture and reporting capabilities, and enhance policy and risk appetite statements to ensure consideration of clients' climate-related risks and vulnerabilities in credit risk assessments, particularly in high-climate-risk sectors, and to expand governance. Beginning in 2022, the Enterprise Risk Management Committee and Board Risk Committee receive updates on climate risk.

## ENVIRONMENTAL AND SOCIAL RISK ASSESSMENT

Santander Group subscribes to the Equator Principles, which establish a financial industry benchmark for assessing and managing environmental and social risk in projects.

Globally, all of Santander's financing operations under the Equator Principles are subject to social and environmental risk assessments (which includes human rights aspects). In 2021, 68 operations were subject to a social and environmental risk assessment.

### Physical Risk

Risk from the physical weather impacts of climate change.



- Acute hazards: increase in frequency and magnitude of severe weather events (floods, droughts, wildfires, storms and hurricanes)
- Chronic hazards: long-term weather trends (sea level and temperature increases, precipitation patterns)

### Transition Risk

Risk from the economic transformation to a net zero carbon economy. Key drivers include:



- Customers: change in customer behavior, loss of competitive advantage or pricing risk for green products
- Market: market volatility, sourcing or supply chain challenges for certain materials
- Policy and Regulation: incentives or restrictions, carbon pricing, new regulatory requirements and increased risk of non-compliance, inefficiency and costs associated with regulatory divergence across regimes
- Technology/Data: increasing data complexity and rapidly changing technology
- Reputation: challenges resulting from inability to respond to other changes, such as regulation, policy or customer preference

# Supporting the Sustainable Transition

While banks must work to improve their own facilities and environmental footprints, oftentimes the greatest impact we can make is by helping communities, clients, customers and other stakeholders accelerate their own transitions to a lower-carbon economy and mitigate the impacts of climate change. We do this through our financing and investments in a number of ways, from individual consumer loans for electric vehicles to the financing of the largest offshore wind farm in the US.

## SUSTAINABLE FINANCE CLASSIFICATION SYSTEM (SFCS)

In 2022 we adopted Santander Group's Sustainable Finance Classification System. This internal taxonomy defines products and services that can be considered green, social or sustainable, and it aligns to guidance provided in the European Union Taxonomy<sup>1</sup>. We have started implementing it in Corporate and Investment Banking, Commercial Banking, Auto and other Consumer Finance portfolios. The SFCS aims to provide a harmonized framework for measuring green and social finance and to facilitate growth.

**In 2021, prior to implementation of the SFCS, Santander US supported clients through execution of transactions in the following categories:**

- **Structured Finance, Renewable Energy:** Santander US has supported transactions that amounted to \$7.8 billion in total deal size (among all syndicate members, including Santander US and others), with a total year-end Santander exposure of \$3.1 billion
- **Debt Capital Markets, Green and Sustainability-Linked Bonds in the US & LatAm:** Santander US has participated in transactions that amounted to \$20.8 billion in total deal size (among all syndicate members, including Santander and others)
- **Sustainability-Linked Loans<sup>2</sup>:** Santander US has participated in transactions with a total deal size of \$79.2 billion

## RENEWABLE ENERGY FINANCE

Santander is a global leader in renewable project finance, including financing of wind and solar projects, with a specific, global expertise in offshore wind. We have supported more than \$24B of debt in new transactions since 2018 in the US, including Project Finance ESG and Fund Finance ESG deals.

### » VINEYARD WIND I

Santander US provided construction and term financing of the first large-scale (800 MW) offshore wind farm in the US off the coast of Massachusetts. It is expected to generate renewable energy for more than 400,000 homes and businesses, while reducing carbon emissions by more than 1.6M tons per year.

This project finance work is instrumental in driving Santander Group to meet our shared, public commitment of raising and facilitating €120 billion in green finance by 2025 and €220 billion by 2030.

## Santander X

**Santander X Environmental Challenge:** a global call for entrepreneurs with innovative solutions aimed at building a more sustainable future. It launched through Santander Universities in 2021 to support innovative companies and entrepreneurs working to address climate change and committed to building a more sustainable future.

US




2021

**Vineyard Wind I**  
800 MW offshore wind farm

**USD 2,448 Million**

Financial Advisor  
Joint Lead Arranger  
Hedge Coordinator  
Syndication Agent  
Administrative Agent  
Green Loan Coordinator



<sup>1</sup> For more information see, European Commission, EU Taxonomy for Sustainable Activities, which provides a set of definitions for green, social and sustainable activities. [https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-activities\\_en](https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-activities_en).

<sup>2</sup> These loans are designed to incentivize customers to set and achieve ambitious green, social and sustainable targets. In these facilities the loan terms align to the borrower's performance as measured by agreed upon Key Performance Indicators. Customers are rewarded or penalized based on performance.





## ESG SOLUTIONS

In 2021, Santander US created the ESG Solutions team within Corporate and Investment Banking. This team has propelled significant growth in debit capital markets and sustainability-linked-loan activity.

### ELECTRIC VEHICLE LENDING

Santander Consumer is a leading auto financier, serving about three million customers. As part of our effort to provide green solutions for individuals and businesses, Santander Consumer provided loans and leases for plug-in hybrid vehicles totaling \$697M in 2021. This was a roughly 10-fold increase from \$69M in 2020, facilitated by customer incentives and the introduction of a new hybrid model.

As both supply and demand grow, and the US market transitions toward greater electrification of vehicles, including plug-in hybrid and battery electric vehicles, Santander US is well positioned to support our auto manufacturing partners and customers with EV financing options.

### RESPONSIBLE WEALTH MANAGEMENT AND INVESTMENT SERVICES

Santander US offers responsible investment options to private banking and retail banking customers.

Through Banco Santander International we offer holistic private banking and investment services to high-net-worth individuals and non-US residents, with a focus on Latin America. In early 2022, BSI had \$352.1M assets under management (AUM) in ESG funds and carried 162 ESG funds.<sup>1</sup>

Santander Bank offers a variety of products to US retail customers, including ESG investment solutions for individuals and businesses. In early 2022, Santander managed about \$77.7M AUM via responsible investment products across brokerage products and managed accounts.<sup>2</sup>

<sup>1</sup> Funds are classified as ESG Funds based on meeting criteria established by Bloomberg.

<sup>2</sup> Responsible investment products focus on ESG-impact strategies, as defined by the fund manager. ESG criteria or requirements may differ product to product, but typically rely on a combination of research and third-party ESG ratings.

# Reducing Our Environmental Footprint

Santander US has a branch network spanning nine states and corporate operations across 10 states. This requires us to manage our facilities in a sustainable manner and to seek ways to continue to reduce our environmental impact.

## We focus on three key areas:

- ▶ Reducing and offsetting CO<sub>2</sub> emissions
- ▶ Reducing and responsibly managing consumption
- ▶ Raising awareness of environmental issues

## FACILITY DESIGN AND MANAGEMENT

As we design or redesign our facilities, we do so with an eye toward environmental impact and our global environmental commitments.

Our sustainability and energy efficiency plans include many elements, such as:

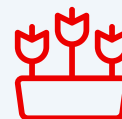
- Increasing renewable energy usage through long-term purchase agreements
- Installing energy management systems, temperature and lighting control, and water reduction technologies
- Optimizing use of space
- Creating better commuting options, including mass-transit commuter benefits, subsidized electric car charging for employees and bike facilities
- Use of green cleaning products to the extent possible
- Construction material recycling
- Recycling at all properties
- Monitoring of energy, water, waste and other consumption
- Increased use of sustainably sourced products (for example, furniture, equipment, etc.)

In 2021, we achieved our goal of a 100 percent reduction in the use of unnecessary single-use plastics across our Santander US sites. This includes elimination of vending machine items to the extent possible, plastic water bottles, as well as office kitchen items such as cups or stirrers.

## Branch Sustainability Workshops

In early 2022, Santander US ran workshops in collaboration with Gensler, a leading sustainability architecture, design and planning firm.

The output of the workshops was a practical roadmap to help us improve sustainability performance on new projects and renovations across our branch network. It incorporates our public commitments to reduce environmental impact, including emissions, and is informed by best-practice standards for sustainability and healthy buildings, including Leadership in Energy & Environmental Design (LEED), Fitwel®, WELL Certification and WELL Health-Safety Ratings.



**SPOTLIGHT: PAPERLESS INITIATIVE**

Santander Bank has embarked on a journey to reduce paper consumption through the simplification and digitization of processes within our offices and branches. In doing this, we are working to meet our clients' and colleagues' digital expectations and contributing to a sustainable future.

Through significant process improvements, investment in technology and education, the retail branch network achieved a 26.9 percent reduction in paper in 2021, surpassing its 20 percent goal. Several districts across the footprint were able to achieve more than a 40 percent reduction. This reduction in paper has the following estimated lifecycle environmental impacts.<sup>1</sup>



**26.9%**  
reduction in paper  
consumption



**649**  
trees saved



**588K**  
gallons of water  
saved



**32,400**  
pounds of solid  
waste eliminated



**697,000,000**  
million BTU energy  
use avoided



**490 K**  
pounds of CO<sub>2</sub>  
equivalent avoided

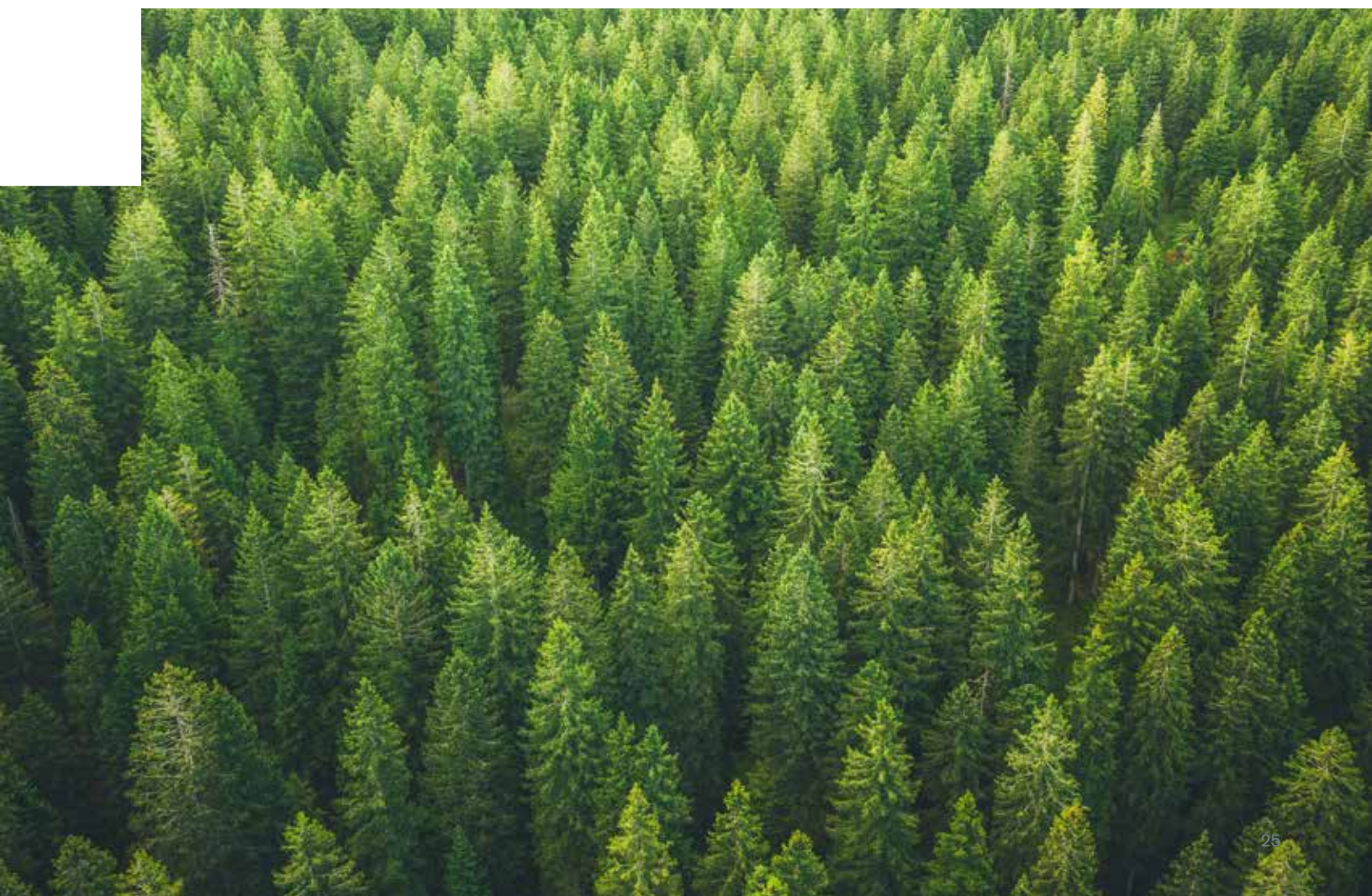
<sup>1</sup> Lifecycle environmental impacts based on reduction of 5,504,144 sheets (27,521 short tons) of paper with impacts calculated based on the methodology provided by Environmental Paper Network. <https://c.environmentalpaper.org/individual.html>  
Effective February 20, 2023, data on this page has been restated from the original report to address an error in the methodology. The effect of this restatement is to reduce the value of the illustrative metrics (e.g. trees saved, waste eliminated).



## Environmental Footprint – Key Metrics

CATEGORY	UNIT	2021	2020	NOTES
<b>INVESTMENT</b>				
Sustainability Investments	\$	\$3,661,060	\$1,880,385	Includes Santander Bank sustainability investments such as renewable energy credits, EV chargers, building certifications, lighting and heating, ventilation and air conditioning systems.
<b>EMISSIONS</b>				
Total emissions (market based)	tCO <sub>2</sub> e	22,194	29,669	Includes Scope 1, Scope 2 (market based) and Scope 3 (indirect from employee travel).
Scope 1 CO <sub>2</sub> emissions	tCO <sub>2</sub> e	5,427	6,234	Includes emissions from the direct consumption of energy (e.g., natural gas and diesel) as defined by the Greenhouse Gas (GHG) Protocol. To calculate these emissions, DEFRA 2021 and DEFRA 2020 emissions factors were applied.
Scope 2 Indirect from electricity, market based	tCO <sub>2</sub> e	14,649	19,997	Includes emissions from electricity consumption as defined by the GHG Protocol. To calculate these emissions, the International Energy Agency (IEA) emission factors for 2017 were applied. Zero emissions are considered for the portion of green energy consumed.
Scope 2 Indirect from electricity, location based	tCO <sub>2</sub> e	28,193	30,817	Includes emissions from electricity consumption as defined by the GHG Protocol. The emission factor of the IEA has been applied to the total electricity consumed, regardless of its source (renewable or non-renewable).
Scope 3 Indirect from employee travel	tCO <sub>2</sub> e	2,118	3,438	Includes employee commuter emissions (car, carpool, rail) and employees' business travel by air and car. Surveys and other estimates used to determine the distribution of employees by type of travel. DEFRA 2021 and 2020 factors were used to calculate emissions from employee travel. Estimates based on the number of parking spaces were used to estimate the number of employees travelling to work in their own vehicles. Carpool travel was calculated based on the average distance travelled by the vehicles rented. Data on business trips by car from Santander Consumer is not available. The reduced occupancy levels in 2021 contributed to the lower GHG emissions recorded.
CO <sub>2</sub> per employee	tCO <sub>2</sub> e/FTE	1.5	1.9	Total emissions (market based)/year-end employee count
Retired Carbon Units	#	24,727	31,337	Certified Emissions Reduction (CER) units

CATEGORY	UNIT	2021	2020	NOTES
ENERGY				
Total energy consumption	kWh	67,217,618	67,592,763	Includes Santander Bank and Santander Consumer.
Green electricity consumption	kWh	32,054,652	24,000,000	Includes Santander Bank and Santander Consumer.
Electricity from renewable sources	%	47.7	35	Includes Santander Bank and Santander Consumer.





## Social

At Santander US, we believe responsible banking includes providing inclusive products and services to help our communities prosper, succeed and grow. Whether for individuals and families, small businesses or entire communities, we work to build paths to prosperity.

**100,000+**

people helped



**25,404**

volunteer hours



**400+**

partner  
organizations  
supported



**\$18M**

charitable giving



**\$321M**

affordable  
housing tax  
credit  
investments



**641,000+**

hours leadership  
& professional  
growth classes



**\$553M**

Small Business  
Administration  
(SBA) lending<sup>1</sup>



**Nearly 50%**

job openings  
filled internally



**\$20**

minimum  
wage;  
nearly triple  
the federal  
minimum



# Santander Bank's Inclusive Communities Plan

Santander US' community development activities are anchored in our products and services, philanthropy, community partnerships and volunteer service, with a signature Inclusive Communities Plan at Santander Bank.

In 2021, Santander Bank concluded its Inclusive Communities Plan – an \$11 billion, five-year commitment to community development lending and investments, philanthropy and volunteering across its Northeast footprint. We are proud to have exceeded our commitment by investing \$14 billion – more than 21% above goal. Since 2017, the Bank has made the following investments:

**\$12.1B**

in lending in underserved communities

**\$1.9B**

in community development investments

**\$57M**

in charitable contributions

**10**

new retail branches in LMI and communities of color

**65,000+**

community development volunteer hours in underserved communities

The commitment was made in collaboration with community stakeholders across the Bank's footprint and the National Community Reinvestment Coalition (NCRC). In 2017, the Bank began executing against the Plan's goals in partnership with hundreds of community nonprofit partners, stakeholders and Community Advisory Boards. As part of the Plan, the Bank formed a **National Community Advisory Board and six regional boards**, that are instrumental in advising the Bank on new product and program development, community impacts and needs and monitoring the Bank's progress toward the Plan's goals and commitments.

## MEMBERS OF THE NATIONAL COMMUNITY ADVISORY BOARD INCLUDE:

- Dan Betancourt, President & CEO, Community First Fund, Lancaster, PA
- Will González, Executive Director, Ceiba, Philadelphia, PA
- Phyllis Salowe Kaye, President, New Jersey Citizen Action, Newark, NJ
- Rev. Terrence Keeling, President & CEO, Central Baptist Community Development Corporation, Wilmington, DE
- Christie Peale, CEO & Executive Director, Center for New York City Neighborhoods, New York, NY
- Jesse Van Tol, President & CEO, National Community Reinvestment Coalition, Washington, DC
- Jaime Weisberg, Senior Campaign Analyst, Association for Neighborhood and Housing Development, New York, NY
- Clark Ziegler, Executive Director, Massachusetts Housing Partnership, Boston, MA

In 2022, Santander US continues to invest, lend and serve with a commensurate level of commitment in line with market conditions. We are partnering with our Community Advisory Boards and stakeholders to develop and launch a new, expanded strategic Inclusive Communities Plan across Santander US beginning in 2023.

“ We applaud Santander for surpassing its Inclusive Communities Plan commitments to the communities where it operates. Santander's focus on partnering with community partners across its footprint was integral to expanding access to lending, investments and philanthropy in underserved neighborhoods.

Jesse Van Tol, President and CEO of NCRC ”

# Philanthropy

Investing in community-based nonprofits increases Santander US' ability to advance financial empowerment and inclusion, while helping people and businesses prosper in the communities we serve. Santander US is proud to have contributed more than \$18 million to more than 400 nonprofits in 2021.

In the US, Santander philanthropically supports our communities through corporate giving, the Santander Consumer USA Foundation and matching employee contributions. In 2021, Santander Bank contributed \$12.1 million to 367 community nonprofit partners primarily within its Northeast and Florida retail banking footprint. Support focused on low- to moderate-income communities to help meet the needs of our communities in alignment with our Community Reinvestment Act (CRA) commitments. The Santander Consumer USA Foundation contributed nearly \$6 million, including \$5.6 million to 38 nonprofits primarily to address community development needs in Texas, Arizona and Florida.

In 2021, Santander Consumer also gifted \$60 million to the Foundation including a \$50 million multi-year commitment to help support two efforts: addressing the digital divide and advancing the financial well-being of young adults. The digital divide effort seeks to address the widening gap between under-resourced members of society, especially low- and moderate-income, elderly and disabled individuals, and individuals who have access to computers, internet and the wealth and opportunity they can provide. This gift also provided \$10 million so the Foundation could increase its annual community development grants from \$6 million to approximately \$10 million in 2022.

## COMMUNITY DEVELOPMENT SPOTLIGHTS

- ▶ **Junior Achievement** – \$300,000 in support from Santander Bank to provide low- and moderate-income students in kindergarten through 12th grade with financial literacy skills and the development of soft skills needed for future careers. Junior Achievement is also Santander Bank's largest volunteer partner with 2,079 hours volunteered in 2021.
- ▶ **Network for Teaching Entrepreneurship (NFTE)** – \$335,000 grant from Santander Bank to inspire young people from low-income communities to stay in school, recognize business opportunities and plan for successful futures through entrepreneurship. Santander Bank's long-term support was recognized by NFTE in 2021 with the Volunteer of the Year Award.
- ▶ **Year Up National** – \$300,000 from the Santander Consumer USA Foundation to provide general operating support for Year Up's direct service education and workforce development program in Dallas, Texas; Mesa, Arizona; and Tampa, Florida.
- ▶ **Southern Dallas Link** – \$100,000 for the purchase of three transport vans to support the Ride to Work program for individuals in need of reliable transportation for jobs that pay a living wage.

## SUPPORTING COVID PANDEMIC RELIEF AND RECOVERY

Santander US works closely with our nonprofit partners to help address COVID recovery and relief efforts. Beginning in 2020, Santander US created flexibility in our philanthropic strategy and existing grants to support unanticipated and urgent needs arising from and related to the pandemic. This flexibility was maintained in 2021 to ensure our nonprofit partners could be responsive to recovery efforts.

- ▶ **Economic Security Project, COVID-19 Response Program** – Santander Bank granted New Jersey Citizen Action \$200,000 to support the operation of a comprehensive program supporting homeowners and renters, individuals and workers impacted from the pandemic.
- ▶ **Newark Working Kitchens** – \$40,000 grant from Santander Bank supporting a meal-ordering program run by local restaurants that repositioned their cooks, servers and delivery staff as frontline workers to deliver nutritious meals to Newark's low-income seniors, families and homeless city residents facing food insecurity as a result of the pandemic.
- ▶ **Get Shift Done** – \$50,000 in funding from Santander Consumer USA Foundation to support shift workers, primarily restaurant focused, as they find new work during the pandemic.

## PHILANTHROPY BY THE NUMBERS



## DISASTER RESPONSE & RELIEF

Santander US provides assistance, in partnership with nonprofit, local and state entities, to support disaster relief in our communities through relief funds, volunteering and matching employee contributions. In the event of a natural or man-made disaster, Santander US works with partners to identify short-, near-, and long-term needs and seeks to respond appropriately to help communities recover. Spotlights of disaster relief efforts include:

- ▶ **Hurricane Ida Relief** – \$20,000 to the American Red Cross to support the Hurricane Ida Fund to provide food, shelter and other recovery and relief services to individuals in need across impacted areas in New York, New Jersey and Pennsylvania.
- ▶ **Champlain Towers South in Surfside, FL** – \$20,000 to the Salvation Army to fund emergency resources for displaced survivors and immediate family members of victims in response to the partial collapse of Champlain Towers South in Surfside, Florida.
- ▶ **Texas Winter Storm Crisis** – \$100,000 to the Communities Foundation of Texas to support emergency assistance and long-term recovery needs related to the winter weather crisis in North Texas.

## ELEVATING RACIAL & SOCIAL EQUITY

In 2020, Santander US advanced its philanthropic strategy to elevate racial and social equity and increase support to underserved communities of color. In the summer of 2020, Santander US announced a public, \$5.2 million, multi-year commitment of near-term and long-term investments specifically focused to address racial equity in communities across the US. In 2021, Santander US began executing on its commitments, including \$3 million to support Community Development Financial Institutions (CDFIs) led by individuals of color and \$2 million to expand Santander's Cultivate Small Business, diverse leadership training and racial and social equity initiatives. In 2021, Santander Bank continued to seek opportunities to elevate equity in its giving, resulting in 42% of all grants going to nonprofits led by individuals of color.

- ▶ **Santander Bank's CDFI Initiative** – \$3 million to 10 Black, Indigenous, People of Color and Latino-led CDFIs over three years (\$100,000 annually to each CDFI) starting in 2021, such as La Fuerza Unida Community Development Corporation that supports loan and technical assistance programs targeting diverse small business owners in Nassau County, NY, including the Empire State Small Business Revolving Loan Fund, Minority and Women Owned Business Enterprise (MWBE) Micro-Loan Program, Entrepreneurs of Color Loan Fund, and P.O.W.E.R. Technology Loan Fund for Women.
- ▶ **National Urban League** – \$100,000 to support the expansion of the Entrepreneurship Center Program that provides management counseling, mentoring and training services for diverse entrepreneurs looking to start, grow or scale their businesses.
- ▶ **African American Alliance of CDFI CEOs Inc.** – \$20,000 to support a growing coalition of more than 50 CEOs of CDFIs across the US leading the way to close the capital gap for businesses, real estate projects, housing and community assets in underserved areas with African American populations.
- ▶ **Black Community Leaders Fund** – \$50,000 to support The Philadelphia Foundation's Black Community Leaders Fund, which provides flexible grants and capacity-building support to Black-led nonprofits to build resilient organizations that serve Philadelphia neighborhoods.
- ▶ **Dallas Hope Charities** – \$50,000 to provide food, shelter and services that instill dignity and stability for LGBTQ+ youth, ages 18-24.
- ▶ **Dallas Truth Racial Healing and Transformation** – \$175,000 to create a radically inclusive city by addressing race and racism through narrative change, relationship building with a Dallas racial history tour and support for the Dallas Truth Racial Healing and Transformation racial cohort training.

# Community Partnerships

Partnerships with community organizations and nonprofits across our operating area strengthen the communities where we live and operate. Our roughly 15,000 employees bring life to these partnerships through their volunteer service, technical assistance provision, coaching and mentorships. As stewards of our company, our team members are able to make an incredible difference in our communities by giving back their most valuable resource – their time.

As the impact of the COVID-19 pandemic continued in 2021, we engaged with our communities mainly in a virtual setting, providing more than 25,000 hours of volunteer service with more than 400 community organizations and nonprofit partners. At Santander Bank, 79 percent of volunteering occurred in low- to moderate- income communities, and 62 percent occurred in communities of color.

At Santander US, we know the value that volunteerism can provide in communities, especially underserved communities. To champion our employees and provide them with the opportunity to give back, we offer full-time employees 16 hours and part-time employees eight hours of volunteer paid time off each year. We also seek to have our employees build deeper bonds with nonprofits through board service, so that we can invest our time and expertise in helping nonprofits grow and facilitate positive change in our communities.

## PARTNERSHIP SPOTLIGHTS

- » **Summer Youth Employment Program (SYEP)** – Santander’s support of SYEP spans the New York and Philadelphia markets in collaboration with 13 community nonprofits to provide youth with real-world work experience, build financial competencies and access student banking services. Santander Bank collaborated with the FDIC to generate a financial literacy curriculum specifically for the initiative and provided digital financial training via the Bank’s partnership with EVERFI. The Bank logged more than 1,000 hours providing financial literacy to participating youth.
- » **COVID Vaccine Outreach Initiative** – More than 150 Spanish-speaking Santander colleagues volunteered with Ceiba in Philadelphia to contact more than 500 families to increase COVID vaccine awareness, and schedule and arrange transportation to vaccine appointments.
- » **Food Insecurity** – Santander invested \$80,000 to provide more than 500,000 meals to families experiencing food insecurity during the 2021 holiday season. Nearly 200 Santander employees participated in 25 events across the US to help receive donations and pack food items for those in need. Santander logged more than 600 hours of service in support of the program, and matched employee contributions up to \$500.
- » **Future Bankers and Internship Camp** – Santander supported the Center for Financial Training at Miami Dade College (MDC) to bring the Academy of Finance programs to the Miami-Dade County Public High Schools. Students received bank teller training and real-life experiences at summer internships at local employers, including BSI. Students also received summer school credits and can apply for dual- enrollment credits toward an associate degree from MDC.
- » **Preparing Students for Back-to-School** – Santander colleagues partnered with the Dallas Mayor’s Back-to-School Fair to fill more than 10,000 backpacks with school supplies and loaded them into cars during a live drive-thru event to provide families with essential school supplies for their student- aged children.

“Santander’s responsiveness and dedication are evident through the commitment of over 150 volunteers to reach Spanish-speaking families in under-resourced communities with COVID-19 vaccination solutions and access. Our neighborhoods’ economic and social recovery from the pandemic can only be achieved through high vaccination rates, and Santander has fulfilled a major role in helping to attain recovery from this devastating virus.”

Will González, Executive Director, CEIBA (Philadelphia)





### COMMUNITY PARTNERSHIP BY THE NUMBERS

**25,404**

employee volunteer hours

**46,169**

individuals counseled on  
financial education

**618**

hours providing COVID-19  
vaccine awareness and  
outreach to LMI communities

**400+**

nonprofits supported

**11,650**

community development volunteer  
hours at Santander Bank, with 62% of  
hours being in communities of color

**16**

hours of volunteer paid-time off  
per full time employee annually

# Santander Universities



For more than 25 years, Santander Group has had an innovative, long-standing commitment to supporting inclusive, sustainable growth through higher education. This global commitment, led through Santander Universities, focuses on education, employment and entrepreneurship, setting us apart from the world's other financial institutions. These efforts have led to more than EUR 2.1 billion in investment across 1,000 institutions in 15 countries, and have supported more than 790 million students, professionals and small- and medium-sized enterprises (SMEs).

The history of investing in education continues at Santander US where, in 2021, we provided more than \$1.3 million to 13 universities, colleges and community colleges across the US, resulting in 212 scholarships and support to more than 90 entrepreneurs. In the US, Santander Universities focuses on partnering with universities, colleges and community colleges to increase access to higher education and continuing education through Santander Scholarships, with a focus on expanding entrepreneurship through key partnerships with higher education and the global Santander X platform.

## ADVANCING EDUCATION THROUGH SANTANDER SCHOLARSHIPS

**Santander Scholarships** provide access to higher education and academic mobility through scholarship funding, with a particular focus in the US on first-generation and underserved students. Santander also seeks to expand access to important reskilling and upskilling programs through its new global educational programming launched in 2021 on the Santander 'Becas'<sup>1</sup> platform. These programs provide opportunities for all ages and profiles, with special attention to address market needs through:

- **Reskilling:** Helping participants acquire new knowledge and skills in different areas, enhancing their professional versatility and increasing their career-change options.
- **Upskilling:** Providing training in soft and hard skills to drive more efficient adaptation to current roles at a time of deep transformation and digitalization within companies.

## EXPANDING ENTREPRENEURSHIP IN PARTNERSHIP WITH HIGHER EDUCATION

Santander US seeks to expand entrepreneurship, aligned with its local community development aims and global programs, by leveraging higher education's expertise and leadership roles in our communities. Key higher education partnership spotlights include:

- » **Babson College** – In 2017, Santander's Cultivate Small Business was launched in Boston in collaboration with Babson and community nonprofit partners, Commonwealth Kitchen and Initiative for a Competitive Inner City (ICIC), to help early-stage underserved food-based small businesses. In 2021, the programming expanded to New Jersey and the groundwork was laid to expand to six markets in 2022, including Boston, New Jersey, New York City, Philadelphia, Miami and Dallas.
- » **Columbia University** – Santander US has had a long partnership with Columbia to provide specialized training to mid-sized Latin American companies through their Entrepreneurship and Competitiveness Program. The program focuses on helping founders and C-suite professionals grow in today's global environment. Our relationship continues to expand with Columbia through their Columbia- Harlem Small Business Development Corporation (SBDC), which helps businesses and entrepreneurs in New York City.

Santander US supports emerging SMEs and entrepreneurs across the globe through our **Santander X** platform ([santanderx.com](https://santanderx.com)), which provides training and resources to help them grow and prosper. Santander X runs "challenges" open to companies across the globe to support the most promising and innovative solutions to address societal challenges and opportunities.



In 2021, Santander X launched three global challenges focused on (1) Environmental – promoting a low-carbon economy, (2) Helping Businesses Prosper – seeking innovative, scalable solutions to help SMEs make the digital transition, and (3) Finance for All – promoting solutions to help enable all members of society to obtain banking products and services.

Santander further supports our global community of startups and scaleups through "Santander X 100"; a program to help advanced-stage ventures from different countries to network and access advice, training, capital, clients, talent and other valuable resources. Current members are from Argentina, Brazil, Chile, Germany, Mexico, Spain, the UK and the US.

<sup>1</sup> Santander University global platform offering scholarships in subjects such as technology, languages, research, soft skills, professional practices or women's leadership. [becas-santander.com/](https://becas-santander.com/).

# Supplier Diversity

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At Santander US, we understand that building a diverse and representative company includes who we hire, how we build our culture and who we do business with – suppliers and vendors. By identifying opportunities for diverse suppliers, we're contributing to the growth of companies who may operate in our neighborhoods, hire a diverse workforce of their own and contribute to the communities that impact our business.

In 2021, Santander US formally launched our supplier diversity program to enable a supply chain that is inclusive of women-, minority- and veteran- owned businesses, small and other diverse businesses. To do this, we take steps in the procurement process to drive competitive bidding, innovation and business growth. Often, diverse suppliers have less red tape and are more nimble, flexible and faster than traditional vendors.

**Santander US defines diverse suppliers as enterprises that are at least 51 percent owned by one or more of:**

- Small businesses as defined by the US SBA or a valid supplier diversity council or government agency
- Minority Business Enterprises (MBE)
- Woman-owned
- Veteran-owned
- LGBT-owned

Santander US spends more than \$1.5 billion annually in the procurement process. We are committed to increasing our spend with diverse suppliers in collaboration with community-orientated organizations, such as diverse supplier councils, chambers of commerce and other groups helping underserved and diverse suppliers.





# Community Development Finance

Community development lending and investments facilitates economic development, affordable housing and community building. Santander Bank actively seeks to invest in community development projects through lines of business and the Community Development Finance (CDF) team. In 2021, the Bank's qualifying community development financing activity included more than \$107 million in loans and \$501 million in investments.

Santander Bank launched the specialized CDF team in 2017 with the purpose of intentional, responsive community development lending and investments within its operating footprint. CDF focuses on helping people and business prosper through financing affordable housing, small business equity investments and lending to Community Development Financial Institutions (CDFIs). Building strong and healthy communities is at the core of CDF's efforts.

## CDFI FINANCING

Santander Bank's CDFI lending program proactively seeks transformative initiatives led by CDFIs that increase access to capital to support small business, home ownership and consumers. The mission-based program is meant to expand opportunities for borrowers unable to acquire traditional bank financing. Santander works with CDFIs to provide capital with flexible terms through variable and fixed-rate pricing. Since 2017, Santander has provided \$63 million to three CDFIs focused on providing capital to advance access to affordable home ownership and small business. Santander believes CDFIs are vital engines to foster healthy, affordable and inclusive communities, and seeks to also support CDFIs through its seven-year CDFI Grant Initiative and volunteer service.

## COMMUNITY DEVELOPMENT FINANCE BY THE NUMBERS

**\$608M**

total lending and investments

**\$321M**

affordable housing tax  
credit investments

**\$107M**

affordable housing  
construction and equity  
bridge loans

**1,303**

affordable housing  
units created

**4,209**

tenants placed in  
affordable housing



250 Centre Street, Jackson Square Station in Boston, MA.  
Image provided by ICON Architecture

#### » CDF SPOTLIGHT — 250 CENTRE STREET, JACKSON SQUARE STATION (BOSTON)

Santander Bank provided \$12.3 million in low-income housing tax credit equity and \$20 million in construction lending to finance 110 units, including 56 income-restricted units. This new-construction, transit-oriented housing development is part of the Jackson Square Redevelopment Initiative in Jamaica Plain and Roxbury at Jackson Square Station. Here more than eight acres of vacant land is being transformed into an affordable, vibrant and walkable community. The project was built in accordance with the City of Boston's net zero carbon emissions standards for affordable housing and features sustainable design.

“ 250 Centre Street has been a community-driven effort focused on restoring the historical Jackson Square community. Our strong partnerships, including with Santander, have helped us strengthen this community by creating jobs, aiding local businesses and building more affordable housing.

Bart Mitchell, President and CEO, The Community Builders ”



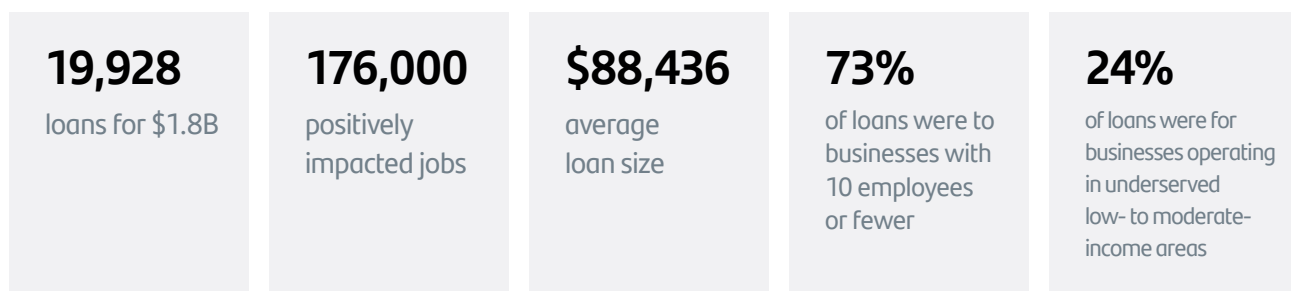
## Small Business

Small businesses are critical to our economy, communities and future – providing services, goods and jobs, and creating opportunities for entrepreneurship and innovation. Santander is dedicated to helping entrepreneurs and small businesses profit and grow by helping them access products and capital, business education and mentorship needed to start and scale their companies.

In 2021, Santander Bank provided 17,424 small business loans for \$1.6 billion, including 4,769 loans for \$440 million in low- to moderate-income communities. Our bankers work to ensure that we provide our customers with the products and services that best suit their business needs to help them succeed, including SBA loans.

### PAYCHECK PROTECTION PROGRAM

In 2021, Santander Bank participated in the third round of funding for the Paycheck Protection Program (PPP), providing 7,806 loans for \$460 million. For the life of the program, Rounds One through Three, results included:



In Round Three of funding, Santander Bank launched a Special Purpose Credit Program for Minority- and Women-Owned Businesses, which was aimed at increasing access to PPP for these underserved small businesses. Santander partnered with small business-focused nonprofits and CDFIs across its footprint seeking referrals and providing assistance to qualifying borrowers.

### SMALL BUSINESS BY THE NUMBERS





### SANTANDER'S CULTIVATE SMALL BUSINESS

Santander's Cultivate Small Business program was launched in 2017 and is designed to help early-stage underserved food-based entrepreneurs and small businesses, especially women, individuals of color and immigrant-owned businesses. Cultivate Small Business began in Boston in partnership with Babson College, The Initiative for a Competitive Inner City and CommonWealth Kitchen. The immersive program provides a four-month long industry-specific education program, along with resources including business coaching and mentorship, professional networks and capital seed grants to help their businesses grow.

In 2021, the program expanded from Boston to two locations in New Jersey. Previous cohorts averaged approximately 30 participants, but the expansion grew the program to 92 graduates in 2021.

In 2022, Cultivate Small Business will continue to grow, with expansion to six key markets across Santander US' footprint, including Boston, New Jersey, New York City, Philadelphia, Dallas and Miami.





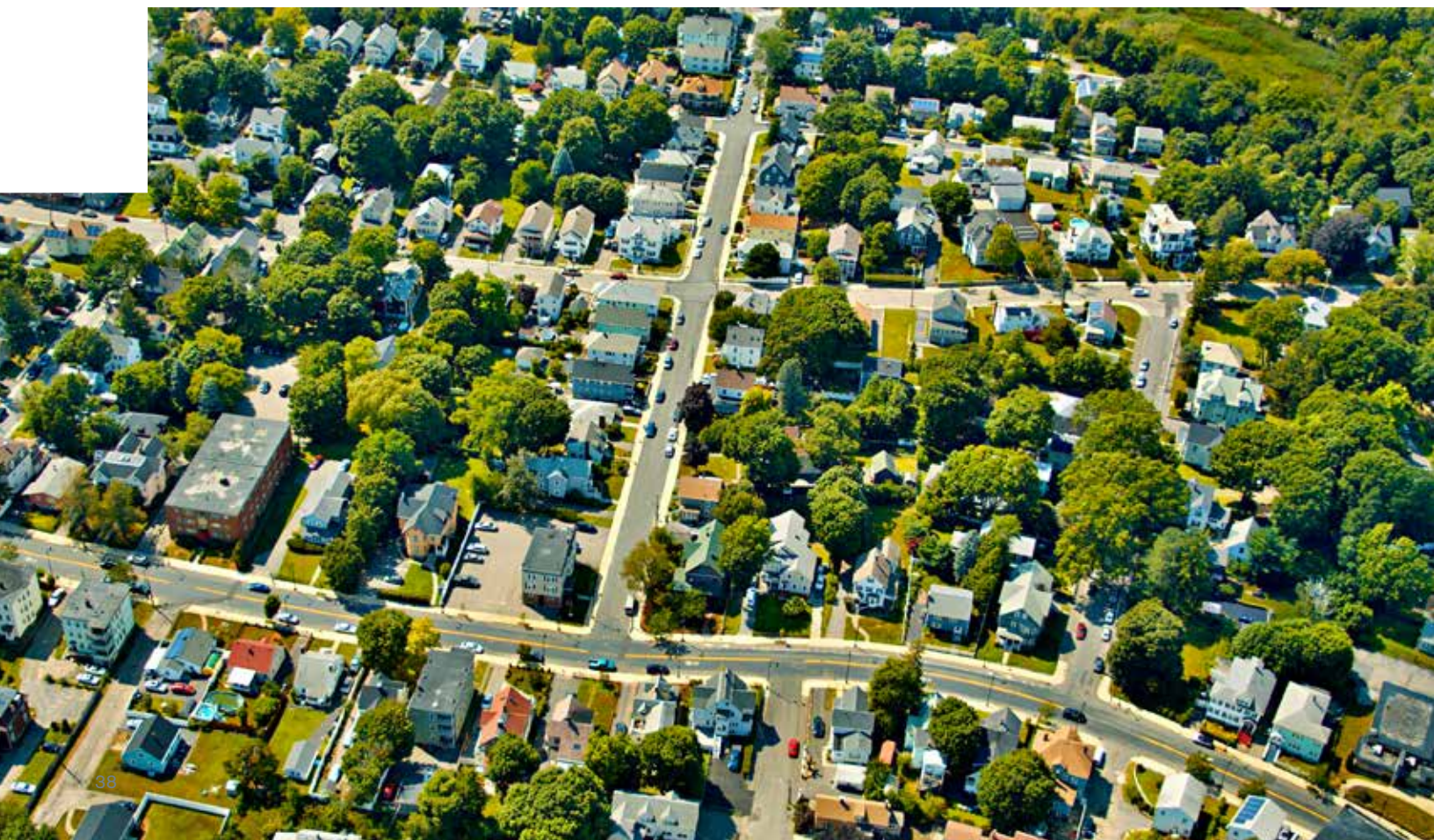
# Homeownership

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Santander Bank has historically provided home lending products to meet the diverse needs of our customers throughout our operating areas, including a variety of mortgage products that helped our customers meet their homeownership goals. We remain dedicated to helping our communities prepare for home ownership through education, programming and technical assistance.

In 2021, Santander Bank provided more than 22,000 loans totalling \$7.5B. Our employees worked closely with partner community organizations and nonprofits to educate customers and community members through first-time home-buying seminars, with a particular focus on supporting the homeownership needs of low- to moderate-income families. In 2021, our colleagues delivered over 1,185 hours of homeownership curriculum to more than 8,000 people. Additionally, our charitable contributions prioritize funding to nonprofits that provide and create affordable homeownership access in our communities.

In February 2022, Santander Bank announced its decision to discontinue its mortgage and home lending product originations to focus on other strategic growth areas across the Bank. For existing mortgage and home equity clients, the Bank continues to service and support their accounts and service the loan portfolio as the Bank evaluates strategic options for the remaining book of business. While the Bank will stop originating mortgages and home equity lines of credit, we will continue to be a committed partner to the communities and clients we serve, through volunteer service, technical assistance and charitable contributions to nonprofits who continue to work to meet the needs of homebuyers across our footprint.



# Supporting Our Customers

Achieving our mission of helping people and businesses prosper requires a constant focus on the customer, ensuring they are at the center of all we do. This includes an understanding of customer experience and challenges they may face. The pandemic and resulting economic turmoil meant customers experienced new and different types of adversity. This challenged us to look more deeply at our policies and practices to understand how we could better support our customers and communities.

Our commitment to be Simple, Personal and Fair guides us in our work to continually improve products and services, ensuring they are responsible. With respect to our customers, our work starts with product development and extends through the lifecycle of all products, services and customer relationships. To bring this to life we focus on several areas:

1. **Product development and marketing.** Products and services must meet specific customer needs and be simple. Customer service and marketing support awareness and understanding of products. These efforts comply with legal and regulatory requirements.
2. **Customer relationships.** Relationships, whether in a branch, on the phone or with a large commercial client, support identified needs with appropriate products and information.
3. **Customer experience.** We seek continuous improvement in customer experience through a variety of feedback channels, research and analytics.

We've taken lessons from the pandemic, and feedback from our customers and Community Advisory Boards, to further enhance our businesses and ensure more customers have and maintain access to affordable financial services. Ultimately this is good for our customers' financial health, our communities and our company.

## CARE PROGRAM: AUTO FINANCING

Launched in May 2021, a specialized team works with vulnerable customers, including individuals facing long-term hardship, to provide accommodations designed to ensure customers maintain access to vehicles and credit. Customers can qualify for a wide range of monetary relief, including balance, rate and other term adjustments. In 2021, about 177,000 customers, representing \$182M in balances, received monetary assistance.

## SANTANDER® SAFETY NET: SANTANDER BANK

In October 2021, we launched Santander® Safety Net, which raised the no-fee overdraft threshold to \$100 and applied it to all clients. At time of implementation, this was the highest overdraft threshold of any traditional US bank<sup>1</sup>. Safety Net also eliminated overdraft transfer fees and reduced the daily fee cap by half.

- Since launch, 41% of accounts that would have been charged at least one overdraft fee under the prior program have not received any overdraft fees and 75% of accounts received fewer fees than they would have.<sup>2</sup>
- On average, week-to-week, 47% of accounts that overdraw aren't hit with a fee.
- Client complaints about overdraft fees are down 40% from the weeks prior to launch.

## CUSTOMER COMPLAINTS

Santander US has established a complaints management program that is consistent with our corporate values and the laws and regulations that govern our activities. The program and supporting policy ensures that complaints relating to Santander US' products, services and business practices are resolved in line with all applicable legal and regulatory requirements, supports customer relationships, and, as appropriate, improves business practices. Complaints are formally identified, tracked and addressed. Business lines routinely analyze complaints for trends and perform a root cause analysis to develop action plans. Oversight of processes and programs is achieved through a combination of business management forums and formal governance committees.

<sup>1</sup> Traditional bank defined as brick-and-mortar bank with physical branches, as compared to online-only banks with no physical presence. <https://www.fdic.gov/consumers/consumer/news/april2020.html>.

<sup>2</sup> Data as of June 29, 2022.

# Talent and Human Capital

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At Santander US, our nearly 15,000 employees are the backbone of our company and our greatest commitment is ensuring their success – both professionally and personally – so they are equipped to be the best they can be in their work, in our communities and at home. Our robust Talent and Human Capital framework is focused on empowering employees to thrive throughout their careers.

## TALENT ACQUISITION AND MANAGEMENT

At Santander US, our people are our greatest strength and we are committed to creating career opportunity for top talents from a range of backgrounds and experiences. From our internship and rotational programs for early-stage talent, to full-time and part-time opportunities for experienced professionals, Santander US is a great place to build a career. We offer strong support for internal mobility, and encourage pathways through the organization, all in a dynamic environment that values and celebrates the unique talents, skills and experiences of each employee. Our results speak for themselves – almost half of all job openings in 2021 were filled by internal candidates.

## REFLECTING THE COMMUNITIES WE SERVE

We know that diversity of thought, experiences, backgrounds, beliefs and identities make us a stronger organization. We are deeply committed to increasing representation in our workforce to ensure we mirror the communities in which we work and live. In Talent Acquisition, this means ensuring we are identifying, engaging and considering representative slates of candidates and ensuring that all candidates are consistently assessed against a clear set of qualifications and competencies. We are also working to ensure we are fostering access and removing barriers to opportunity that have disproportionately impacted historically underrepresented populations. Collaborating with our Employee Resource Groups (now seven groups strong), building meaningful relationships with professional organizations and institutions that serve historically underrepresented populations, and forming partnerships with DirectEmployers, FairyGodBoss, GlassDoor and other platforms and services are just a few mission-critical components of our ecosystem of partners in progress.

## ADDRESSING GLOBAL CHALLENGES, SEIZING OPPORTUNITY

In 2021, we were subject to the same global challenges and market phenomena that other businesses faced, but we were not deterred in our recruitment efforts and in bringing top talent to the organization. “The Great Resignation” impacted and continues to impact our organization, but with great change comes great opportunity, and we have used these changes in our workforce to ensure our organizations are structured correctly and that our teams are optimized for efficiency. Frequently changing COVID mandates, new competitors for talent (with an increase in remote employment opportunities), and our need for talent in a new geographic footprint in Florida necessitated shifts in our strategy and concentration of recruitment efforts in new segments and markets.



## TALENT AND HUMAN CAPITAL BY THE NUMBERS

**15,000**Santander US  
employees**Nearly  
50%**job openings  
filled internally**7**Employee  
Resource  
Groups  
with 3,600+  
members**3.3  
hours**average annual  
Compliance, Risk  
and Regulatory  
training time  
per employee**\$20**minimum  
hourly wage,  
nearly triple  
the federal  
minimum

## Workforce Distribution by Race, Ethnicity, Gender and Employment Category

Ninety-six percent of Santander US employees are full time and four percent of employees are part time.

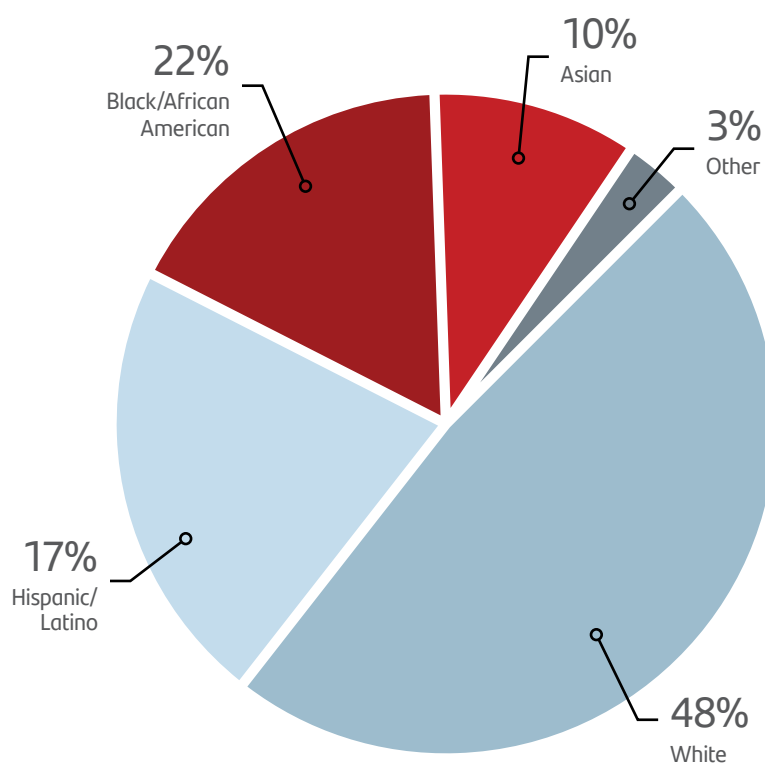
Job Category	Gender	White	Hispanic/Latino	Black/African American	Asian	Other	% of Employee Population
Executive/Senior Level Managers	Women	19%	6%	2%	1%	1%	1%
	Men	41%	21%	2%	6%	2%	
First/Mid Level Managers	Women	28%	9%	6%	3%	1%	15%
	Men	33%	9%	5%	5%	1%	
Professionals	Women	21%	10%	8%	6%	1%	33%
	Men	28%	11%	6%	8%	1%	
All Others	Women	28%	17%	17%	5%	2%	51%
	Men	14%	8%	6%	2%	1%	
TOTAL	Women	25%	13%	12%	5%	2%	58%
	Men	22%	9%	5%	5%	1%	42%

Data as of December 31, 2021, using job, race and ethnicity categories defined by the Equal Employment Opportunity Commission. Effective February 20, 2023, data in this chart has been restated from the original report to address an error in the measurements methodology.

## Workforce Distribution by Age

Age	Count	Percent
Less than 25	1,215	8%
26-35	3,870	26%
36-45	4,081	27%
46-50	1,716	12%
Over 50	3,994	27%

## Racial and Ethnic Diversity at a Glance



### RETURNSHIP PROGRAM

We enhanced our diversity recruiting through our Returnship Program. The Returnship Program is a paid internship for experienced professionals who've left the workforce for various reasons – maybe to have children or care for an ill family member – and are ready to return. The Returnship Program seeks to convert participants to regular employees at its conclusion.



## EMPLOYEE LEARNING AND DEVELOPMENT

We invest in professional development for our colleagues, including tools and guidance for maximizing learning on the job. All colleagues take part in our performance management process, which includes defined performance, career and development conversations as well as year-round check-ins with their managers. We also offer career coaching, mentoring, professional networking, rotation opportunities, and both virtual and classroom instruction. Our Learning and Development team designs and delivers a wide range of innovative learning experiences that build new skills. In addition to our internal curriculum, in 2021, we offered LinkedIn Learning, Open Sesame and EdX, providing quick and easy access to thousands of online courses and videos on topics including leadership, business skills, technology and personal development. All colleagues can use the platform to grow in their current role, prepare for their next career move and develop their skills and talents.

### Learning and Development by the numbers:

- ▶ In 2021, employees participated in 641,070 hours of leadership, management and professional growth classes
- ▶ On average, all employees participate in 3.3 hours of compliance, orientation and risk and regulatory learning and development

## DEVELOPING LEADERS THROUGH INTERNAL LEADERSHIP PROGRAMS

Our in-house leadership programs provide colleagues globally and locally with tools and support to gain new experiences, skills and capabilities to thrive in their careers.

- **Young Leaders:** This nine-month experience is a one-of-a-kind global program specially designed to target individuals that are in the early stages of their careers and takes place in a unique environment called the Young Leaders Smart City. This city-based experience allows participants to live a wonderfully immersive and challenging experience. They discover new people and visit places that will help them to grow as leaders, gain visibility, and be aware of the necessary skills to lead (and design) the future.
- **Mundo Santander Program:** Mundo is an exciting opportunity for participants to step out of their comfort zone while working on an international project. It provides participants with the opportunity to either travel to a Banco Santander host country or select a virtual project, leverage existing skills and develop new ones, experience new cultures and collaborate on a project for three to six months.
- **Thrive:** This development program focuses on boosting the careers of women with backgrounds in science, technology, engineering and math (STEM) and business into leadership positions by providing them with resources required to drive their professional growth. The program includes three main activities including development workshops, career coaching and mentoring. Each participant defines a customized development plan with the Global HR team and gains visibility and builds relationships across the organization.

### All employees complete the following trainings:

- |                                    |                                |
|------------------------------------|--------------------------------|
| ▶ I AM Risk: Operational Risk      | ▶ Anti-Money Laundering        |
| ▶ I AM Risk: Passport Risk Culture | ▶ Information Security         |
| ▶ I AM Risk: Reputational Risk     | ▶ Data Management              |
| ▶ Code of Conduct                  | ▶ Safety at Santander          |
| ▶ Privacy                          | ▶ Maintaining a Safe Workplace |





## SUPPORTING AND REWARDING EMPLOYEES

Our approach to compensation and benefits programs is designed to support our employees and their families, as well as support engagement and well-being.

### COMPENSATION

Our compensation philosophy centers on three guiding principles:

- Our approach allows Santander US to attract and retain the right talent to drive business success
- We strive to be market competitive and thoughtful in our decision making, while considering available budget and associated impacts
- Our compensation decisions should always be grounded in fairness

This approach allows us to attract and retain top talent and reinforces our culture and core values. We pay equitably and competitively, while focusing on rewarding those who make the greatest contributions. We believe when employees are accountable to deliver the right work in the right way, then they should be rewarded for it.

Our compensation philosophy complements our career framework structure. This framework promotes employee growth by ensuring employees have a better understanding of the roles available at Santander US and the competencies required to move within the organization.

All employees receive mid-year and year-end reviews, which focus on career development and progression as well as performance.

### BENEFITS

We offer comprehensive benefits that are market-competitive and provide employees and their families with choices. In 2022, all full-time and part-time employees who work at least 20 hours are eligible for these benefits.

**Santander US offers a range of benefits options to support our workforce, including:**

- |                           |                                     |                                  |
|---------------------------|-------------------------------------|----------------------------------|
| ▶ Medical & Prescription  | ▶ Business travel accident          | ▶ Paid time off & leave programs |
| ▶ Dental & Vision         | ▶ 401(k)                            | ▶ Voluntary benefits             |
| ▶ Tax-advantaged accounts | ▶ Short-term & Long-term disability | ▶ Employee assistance program    |
| ▶ Life insurance & AD&D   |                                     | ▶ Well-being program             |

Our values of being Simple, Personal and Fair are embedded in our benefits since we strive to ensure our benefit choices are easy to understand and we provide a range of options that are competitive, affordable and sustainable. More information on benefits is available in our [2022 Santander benefits guide](#).

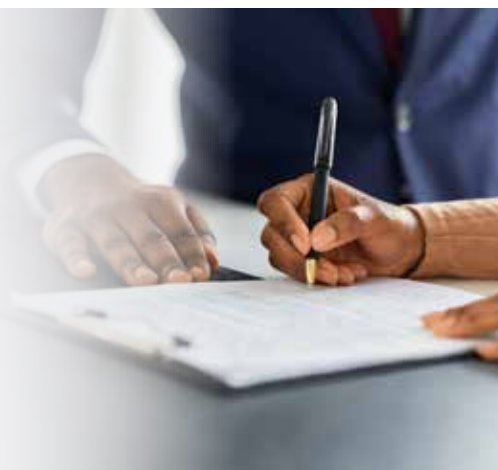
We understand that today's home and work lives require a benefits package that meets employees where they are and provides more than just the traditional benefits. In 2021, we created our first Maximize Your Benefits Guide that focuses on different life events to help employees better understand how they can layer the benefits we offer to address their needs at different times of their lives.

### INCREASING HOURLY WAGES

We continue to increase wages for hourly paid employees. In early 2022 we increased our minimum hourly wage to \$20 for branch team members and operations employees at Santander Bank and Santander Consumer.

#### By the Numbers

- \$20/hr. is nearly triple the federal minimum wage and higher than most competitors
- Santander Bank's minimum wage has increased 33% over the last four years
- Santander Consumer's minimum wage has increased 16% in just two years



Our medical coverage goes beyond the standard coverage – we have layered on additional benefits and programs to support our employees when they need it, including cancer support programs, neonatal resource services and complex concierge services.

We also established a first-of-its-kind, out-of-network mental health benefit to ensure that employees can see out-of-network therapists on a regular basis at a fixed cost.

Our retirement program supports employees' futures by providing a 6% employer matching contribution, up to Internal Revenue Service limits. During 2021, employee participation increased and we supported employees' financial education by hosting webinars and conducting campaigns for employees to maximize their matching contributions.

Our leave and disability programs support employees when they need time away from work because of illness or to assist family members. In 2021, we increased the amount of short-term disability benefits and increased the amount of weeks of paid leave for new mothers. Our Parental Leave Program provides all new parents with 6 weeks of pay at 100% that can be utilized at any time during the first year of the child's birth. Our Military Leave Program provides our employees who serve in the Armed Forces with differential pay for up to 52 weeks for active duty service and up to 20 days for reservists. We expanded our Military Leave Program to provide employees with five days of fully paid time off if a spouse or child is deployed for active duty to ensure that the family has time before and/or after the deployment to spend time together.

To ensure that our employees had time to get and recover from the COVID-19 vaccine, we implemented a new Vaccine Time Off Program, providing all employees with eight hours of paid time off to get or recover from the vaccine or a booster.

During 2021, we continued to partner with our ERGs to ensure we offer benefits that support our diverse populations. With Thrive, we expanded the resources we provide caregivers with new Elder Care and Enhanced Family Support Programs through Bright Horizons, one of our benefit partners.

#### Be You, Be Well Program

In 2021, we launched the program in partnership with Limeade® to provide employees with tools and resources to support their physical, mental/emotional and financial well-being. The platform provides resources and coaching to help individuals and families on their wellness journeys. When employees reach certain well-being points levels, Santander US makes a donation to Feeding America.



## ENGAGEMENT

Developing and maintaining the diverse and talented workforce that will propel us forward requires a focus on employee engagement. Listening to and learning from our employees helps ensure that we are creating an environment where employees can do their best work and that our culture and values are well supported.

To this end, each year Santander conducts a global engagement survey designed to gather employee feedback and better understand employee sentiment. We use this feedback to continuously improve our businesses. **Despite the many challenges of the pandemic, 74 percent of employees reported satisfaction with Santander US as a place to work.**

- ▶ **87% of employees participated in the survey**
- ▶ **Results improved on 42 of 43 comparable questions**
- ▶ **85% of employees have trust in their manager**
- ▶ **83% feel treated with respect and dignity**

The survey also provided critical insight on areas we can continue to improve, including simplifying processes and encouraging cross-function collaboration.

In 2022, Santander introduced Your Voice, a quarterly pulse survey that enables more frequent feedback and faster and more effective responses to employees.

**YOUR VOICE**  
speak up, we're listening



# Diversity, Equity & Inclusion (DEI)

**3,600+**

ERG members across our networks

**7**

Employee Resource Groups

**180**

events and initiatives engaging ERG members and employees

A strong corporate culture with a diverse, equitable and inclusive workforce is critical to being a responsible bank and to better serving our communities, while also positioning us to capture and equitably address demographic and societal changes. DEI is a business imperative, aimed at helping to create an inclusive workforce where all can not only grow but thrive in their careers. Our philosophy leads with inclusion, diversity being the outcome, and equity serving as the way to get there. We define diversity beyond gender, race and ethnicity. Diversity is the ongoing journey to help people connect and truly appreciate and value our differences. Concentrating on our employees motivates us to know them at a deeper level, leading us to support them better. We believe that personal well-being facilitates professional success.

## OFFICE OF DIVERSITY, EQUITY & INCLUSION (ODEI)

Santander US launched the ODEI in 2018 with the focus on working to embed DEI capabilities across the entire organization. The ODEI focuses on innovative programming and impact across four key pillars: Workforce Inclusion, Workforce Diversity, Community Impact and Sustainability.

## EMPLOYEE RESOURCE GROUPS

Employee Resource Groups (ERGs) are one of many ways we engage our employees in the work to build a more inclusive culture. Employee support begins by creating a community where employees can share their experiences and celebrate all the things that make them different while creating a safe space for cultural curiosity. The ERGs serve as a component of Santander's DEI governance structure, playing a pivotal role in not only fostering a diverse and inclusive workspace by being open to all employees and allies, but also helping to promote career development and pathways.

### The seven current ERGs are:

- Asian and Pacific Islander (AAPI): supports development and growth of AAPI employees and allies
- Black Organization for Leadership and Development (BOLD): supports the development and growth of Black employees and allies
- Conexión: supports development, empowerment and growth of Latino/a and Hispanic colleagues and allies
- Embrace: supports Lesbian, Gay, Bisexual and Transgender and other gender or sexual identities (LGBTQ+) employees and allies
- EmpowHER: supports the development, empowerment and growth of women and allies
- Thrive: supports colleagues who identify as caregivers or are living with cognitive and physical differences and allies
- VET: supports active and retired military employees and allies





International Women's Day 2022: #BreakTheBias Event

With this in mind, we implemented many successful internal initiatives to help our employees flourish. Some notable successes of our DEI efforts last year:

- **DEI Training for Leaders and Management Toolkit** – All our senior leaders completed “Consciously Inclusive Leadership Training,” which provided in-depth bias training that included a multi-layered approach addressing bias, inclusive leadership, epic advocacy and race and racism. In addition, the Manager’s Toolkit encourages and supports manager-led conversations about diversity with their teams. The toolkit includes presentation decks, activities, learning opportunities and more to help managers foster a more inclusive and equitable work culture.
- **Mentorship ARC (Advise. Relate. Cultivate.) Program** – More than 10 percent of Santander Consumer employees took part in Mentorship ARC, which provides a unique lifecycle of mentoring in which participants can envision being both a Mentor and a Mentee, depending on where they are in their career development journeys.
- **Operation HOPE: HOPE Inside Program** – We partnered with Operation HOPE to offer HOPE Inside, an award-winning financial wellness program, to Santander Consumer employees. HOPE Inside is aimed at providing financial wellness workshops and one-on-one personal coaching sessions to educate and transform thinking about making decisions over money, building wealth and working toward financial independence. Santander Consumer has hosted more than 53 workshops with nearly 4,000 participants to date. In 2022, HOPE Inside has been expanded to all Santander US colleagues.
- **The Diversity & Inclusion Council** – Santander Consumer established a D&I Council to build a sustainable culture that values diversity, inclusion and equity for employees, vendors and communities that results in Santander Consumer being known as a successful financial services company and an employer of choice.
- **Through Our Eyes Presentation Series** – Each summer a panel speaker series is conducted to bring a greater sense of cultural awareness to colleagues and serve as an open forum to discuss social issues.
- **Advocacy Program** – We launched a program to invest in the advancement of 100 of our top Black employees throughout the organization creating growth opportunity and access to senior leaders.

## LOOKING AHEAD

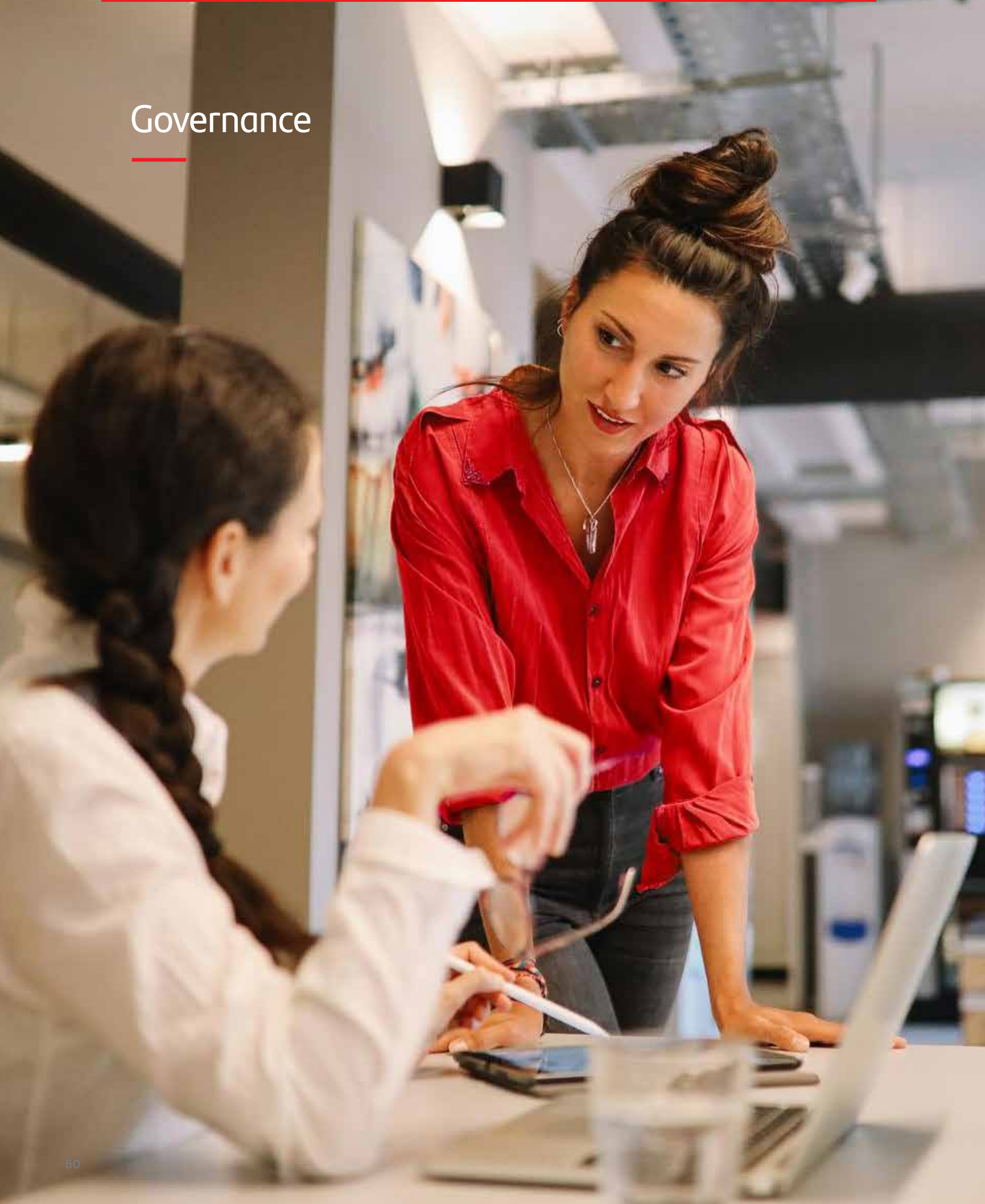
We plan to do more to recognize, develop and promote our diverse workforce throughout the upcoming year, as well as provide additional diversity leadership resources for our leaders.





# Governance

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# Corporate Governance

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A strong corporate governance program is the foundation of a sustainable company and one that is trusted by its stakeholders and the communities it serves. Our principles guide us, and our frameworks, policies and controls ensure we behave responsibly in all we do. We are continuously evaluating and refining our processes and structures to promote transparency, effectiveness and accountability in service of inclusive and sustainable growth.

## Key Policies that Support our ESG Strategy

- **Code of Conduct:** Establishes the ethical principles and rules employees must follow
- **Corporate Social Responsibility Policy:** Provides guidelines on company culture and philanthropy, sustainability principles for our businesses and operations and Human Rights commitments
- **Enterprise Risk Management Framework:** Lays out the processes to identify, assess, monitor and manage risks across all operations
- **Reputational Risk Policy:** Details identification and management of environmental and social risks in key sectors, as well as how we assess reputational threats
- **Governance Framework:** Establishes the governance structure, principles, roles and responsibilities for the organization, including Board and management committee structure, executive organization and escalation and reporting protocols
- **Selection, Suitability and Succession Policy:** Sets forth the criteria for selection, appointment, suitability assessment and succession of members of the Board of Directors' within SHUSA and its key subsidiaries

Other core policies set out our practices for ensuring complete, fair and accurate financial reporting, the parameters for the protection of information and systems and resources and protocols for working with vendors and external parties.





## BOARDS OF DIRECTORS

There are five Boards of Directors in the US, which support and oversee the strategy and operations of key entities, including SHUSA, SBNA, SC, SIS and BSI. These Boards provide oversight of, and guidance to, executive management in the development of strategy as well as risk, culture and talent management. Specifically, these Boards oversee and hold senior management accountable for effectively implementing an enterprise-wide fair, lawful, informative, efficient and policy-based governance system. They oversee management's adherence to policies and procedures, as well as applicable laws and regulations.

The SHUSA Board is comprised of a combination of independent, executive and Banco Santander representative directors with a diverse range of backgrounds, experiences and expertise. This variety of skills and points of view enhances oversight and risk management.

## BOARD COMMITTEES

The SHUSA Board delegates certain responsibilities to Board Committees, which oversee management directly through its five standing Committees:

- **Audit Committee:** assists in oversight of the integrity of the consolidated financial statement reporting and disclosure processes, controls over financial reporting, compliance with legal and regulatory requirements, Code of Conduct reporting and the qualifications and performance of Internal Audit and Credit Risk Review functions and SHUSA's external auditors.
- **Compensation and Talent Management Committee:** oversees the establishment, maintenance and administration of SHUSA's and its subsidiaries' compensation and talent management programs including performance evaluation, compensation and succession planning of key executives. Oversees adherence to applicable regulatory and industry standards and assists in oversight of company culture and diversity, equity and inclusion efforts.
- **Nominations Committee:** assists in oversight of governance practices and structures and the Board's identification of individuals who are qualified to become Board members.
- **Risk Committee:** assists in oversight of enterprise-wide risk management responsibilities, including with respect to risk appetite limits, asset quality, regulatory compliance, capital and liquidity planning and ESG risks.
- **Executive Committee:** assists in execution of the Board's authority when it is not practical or possible for the Board to meet.

Each Board and management committee operates pursuant to its respective charter, which sets forth the responsibilities, membership and scope of authorized governance activities.

## EXECUTIVE MANAGEMENT

Our management structure encourages effective leadership that is consistent with our corporate standards and promotes a strong corporate culture. We manage our company on a line-of-business basis, while also maintaining strong corporate functions and governance. Santander US has six senior management committees, including three risk committees. These committees support the Board, provide a path for escalation of risks and execute effective operations, strategy and risk decisioning<sup>1</sup>.

Many senior management committees are further supported by additional committees that execute specific functions aligned to businesses, programs or risk types.

<sup>1</sup> Management committee structures may differ slightly across subsidiaries based on the nature and complexity of the individual businesses.



## MANAGEMENT AND OVERSIGHT OF ESG

The full Board retains oversight of ESG matters, with the support of Board committees based on their areas of responsibilities including, but not limited to, ESG risk, talent and diversity, equity and inclusion.

In alignment with the broad nature of ESG work, ESG functions are executed by a variety of teams across the firm, including among others:

- The Corporate Social Responsibility team, which designs and implements community partnerships and philanthropic programs, along with working with the lines of businesses to expand social finance and access to banking services and products.
- The ESG Office, which reports to the head of Corporate Social Responsibility and is responsible for coordination and development of the ESG strategy, stakeholder engagement, supporting business initiatives and reporting.
- The Office of Diversity, Equity and Inclusion, which leads development and implementation of our DEI strategy.
- Enterprise Risk Management and Climate Risk, which coordinate and develop our approach to managing climate risk as well as adherence to our environmental and social risk standards.
- ESG Solutions and other lines of business, responsible for design and execution of green and social finance opportunities.
- Facilities, Operations and Corporate Services, which work to minimize the environmental impact of our operations and address environmental and social issues across our supply chain.



# Risk Management

At Santander, risk management is everyone's job and each team member has a role to play as we manage our businesses to protect customers, clients and other stakeholders from risks in the financial system and to maintain the safety and soundness of Santander US and its entities.

## APPROACH

The Board, management and employees are guided by our Enterprise Risk Management (ERM) Framework, Risk Appetite Statement and strong, I AM Risk Culture which, together, create a common understanding of the type and amounts of risk Santander US is willing to take to execute our strategy and deliver greater stakeholder value.

## RISK APPETITE

Risk appetite is defined as the level and types of risk an institution is willing to accept, even in unforeseen circumstances, to achieve its strategic business objectives. Risk appetite considers a variety of adverse scenarios that could have a negative impact on capital, liquidity and profitability. The Board reviews and approves the Santander US strategic plan, which aligns to risk appetite by risk type and business.

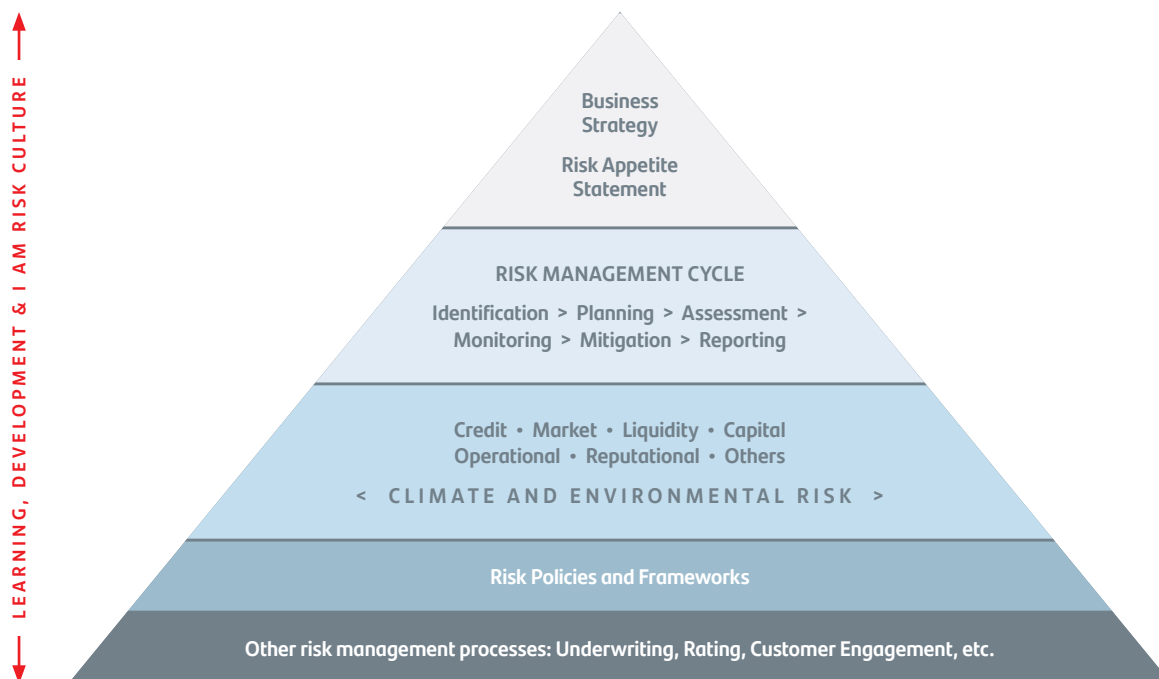
## ERM FRAMEWORK

The Framework articulates the elements required for the comprehensive, consistent and effective identification, assessment, control, monitoring and reporting of risks across all business activities and support functions based on the structure, risk profile, complexity, activities and size of Santander US.

Our risks are categorized into 10 risk types. These categories capture traditional and emerging risks:

Capital	The risk of not holding sufficient capital to ensure a firm's safety and soundness, to support its business plans, to satisfy current and future regulatory and internal capital requirements and to meet market expectations.
Compliance	The risk of legal or regulatory sanctions, financial loss, or damage to reputation resulting from failure to comply with laws, regulations, rules, other regulatory requirements, or codes of conduct and other standards of self-regulatory organizations applicable to the banking organization.
Credit	The risk of financial loss arising from the default or deterioration in credit quality of a customer or counterparty to which a firm has provided credit or for which it has assumed a financial obligation.
Liquidity	The risk that a firm does not have sufficient financial resources to meet its obligations as they fall due, or can secure them only at excessive financial cost.
Market	The risk of financial loss resulting from adverse movements in market rates or prices, including, but not limited to, interest rates, foreign exchange rates or equity prices.
Model	The risk of loss arising from inaccurate predictions causing a sub-optimal decision, or from a model being implemented or used inappropriately.
Operational	The risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk but excludes strategic and reputational risks.
Reputational	The risk of current or potential negative economic impact due to damage to the perception of Santander US and BSNY brand by employees, customers, shareholders/investors and the wider community.
Residual	The risk of financial loss that may occur if, at the end of a lease contract, even if the obligor has complied fully with his or her financial obligations under the contract, the actual proceeds realized by the firm upon the sale of returned assets are lower than the projection of the expected value used in establishing the pricing at lease origination.
Strategic	The risk of financial loss or damage arising from failure to achieve the strategic business plan due to adverse business decisions, lack of responsiveness to industry or environmental changes or poor implementation of decisions through inappropriate deployment of resources.

In addition, environmental and climate-related risk drivers, whether related to physical risk or risks associated with economic transition to a lower-carbon economy, are considered as factors that could impact the existing risks in the medium and long term.



### MATERIAL RISK PROGRAM

Santander US, including all subsidiaries, executes a Material Risk Program to provide timely, clear and comprehensive identification, assessment and reporting of material risks. Outputs from the Material Risk Program are used in a variety of contexts, including risk appetite setting, capital planning, strategic planning and overall risk ownership and monitoring activities.

The program is a continuous process and evaluation that results in a material risk inventory of emerging, evolving and key risks that are assessed and prioritized according to possible impact, including financial, regulatory or reputational impact, as well as likelihood.

### RISK CULTURE

I AM Risk is our strong risk culture, and part of our DNA of being Simple, Personal and Fair. I AM Risk is based on the principle that all employees are risk managers. I AM Risk is a core pillar of our broader global culture, which requires consideration of all risks in the promotion of socially responsible management and long-term sustainability.

#### Taking personal responsibility can make a difference as we:

- Identify risks and opportunities
- Assess their probability and impact
- Manage the risks and suggest alternatives
- Report, challenge, review, learn and “speak up”

#### To support our I AM Risk culture, all employees must annually complete the following trainings:

- I AM Risk – Operational Risk
- I AM Risk – Passport Risk Culture
- I AM Risk – Reputational Risk
- Code of Conduct
- Privacy
- Anti-money Laundering
- Information Security
- Data Management
- Safety at Santander
- Maintaining a Safe Workplace



## RISK GOVERNANCE

Santander US' strong risk governance structure ensures effective oversight of our operations in line with our risk appetite. Our risk management relies on a three lines of defense model, with separately defined roles and responsibilities.

All lines of defense are responsible for risk identification and assessment, internal controls and monitoring and reporting.	<b>FIRST LINE OF DEFENSE</b>	Includes businesses and functions that take or originate exposure to risk. The first line owns, identifies, assesses, manages and reports on risks. Risk taking must be within approved risk appetite limits.
	<b>SECOND LINE OF DEFENSE</b>	Includes Risk and Compliance functions. It defines risk frameworks and policies, independently monitors risk exposures, implements risk controls, and reviews and challenges the first line to ensure that risk is managed within our risk appetite.
	<b>THIRD LINE OF DEFENSE</b>	Comprises Internal Audit and an independent credit risk review function. It provides oversight of the first and second lines of defense, and independent assurance to the Board on the effectiveness of governance, risk management, compliance and internal controls.





# Compliance

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Santander US is committed to achieving and maintaining compliance with all relevant regulations governing its conduct and business activities. The Santander US Compliance Enterprise Policy establishes a framework to manage compliance and ethics matters across Santander US. In addition, Santander US proactively supports the promotion of ethical business practices, including the principles established within the Santander US Code of Conduct.

## SANTANDER US COMPLIANCE PROGRAM

The Santander US Compliance program proactively covers:

- Prevention of money laundering and terrorist financing
- Privacy and information security under the Gramm-Leach Bliley Act
- Consumer protection
- Conduct in the securities market

The Santander US Compliance program is established and overseen by SHUSA Compliance, with local subsidiary execution. The Santander US Compliance program delivers:

- A firm-wide approach to compliance risk management and oversight
- Independence of compliance staff
- Effective compliance monitoring and testing
- Establishment of clear responsibilities of the Board and senior management regarding compliance risk management oversight

## GOVERNANCE

The Santander US Governance Framework defines a hierarchy of Board and management level committees and outlines their duties and responsibilities for overseeing and supporting the implementation of Santander US' risk management program. The Compliance program is supported by policies and procedures that clearly define requirements, roles and responsibilities to deliver an effective program. Management has implemented training and communication to educate and raise awareness of the applicable requirements.

## STANDARDS OF CONDUCT

The Santander US Code of Conduct outlines principles of integrity and accountability that all employees and members of SHUSA and its subsidiaries must understand and follow. These principles align with our core values and should be reflected in professional conduct to help ensure that Santander US' reputation remains intact. Employees and Directors are expected to play an active role in maintaining a strong corporate risk culture by working to do what is ethical for our customers and our business. Employees have a duty to promptly report any known or suspected violations of law, regulations or the Code, using the processes described in the Code.

## CONSUMER PRACTICES

Santander US has established effective risk management practices to ensure appropriate governance, monitoring and tracking of adherence to the applicable regulations. Santander US ensures that complaints relating to our products, services and business practices are resolved in a way that strengthens consumer relationships; identifies, assesses, manages and reports risk, including conducting root-cause analysis to improve business practices; and promotes an environment of continuous improvement.

# Human Rights

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We demonstrate our commitment to maintaining the highest ethical standards by adhering to fundamental principles of human rights across all our business activities.

We are guided by the *United Nations Universal Declaration of Human Rights* and the *Guiding Principles on Business and Human Rights* as the key frameworks detailing our respect for human rights in our operations and interactions with stakeholders.

Our commitment to human rights is documented in various policies and procedures that govern our approaches to business, risk management and supply chain.

Santander US supports the fundamental principles of human rights across all our operations and business activities.



# Information Security & Privacy

At Santander US, we care about our customers and go the extra mile to earn their trust and loyalty. We ensure that customer information is protected and secure. We only use customer information as agreed, and we maintain compliance with applicable laws and regulations.

## PROTECTING CUSTOMERS FROM FRAUD

We are always on guard to protect our customers, continuously improving our safeguards to support detection of fraud or unauthorized use in our customers' accounts. In addition to monitoring customers' accounts and transactions, we provide education through customer email campaigns to raise awareness of continuously evolving fraud risks. New campaigns in the last year included:

- ▶ Unauthorized Funds – Protect Yourself
- ▶ Elder and Vulnerable Adult
- ▶ Financial Abuse Awareness
- ▶ Phishing Awareness – Keep Your Accounts Secure
- ▶ Cyber Shopping – Online Shopping Safety

For details on how to keep your money and information safe, visit [www.santanderbank.com/personal/privacyandsecurity](https://www.santanderbank.com/personal/privacyandsecurity)

Lastly, we provide a standing resource to our customers on our Privacy and Security site with information and recommendations addressing current trends such as phishing/smishing<sup>1</sup>, identity theft, account take-over and financial abuse.

## INFORMATION SECURITY

Our commitment to protecting customer, employee and Santander data is reflected in our continued investment in our Information Security Program and our people. With the information security environment and threats continuously changing, we have established a robust set of policies, processes and tools that enable Santander to adapt and mature, keeping customers and Santander safe.

Our Information Security Program is led by our Chief Information Security Officer (CISO) with more than 100 team members. The CISO reports to the Santander US Chief Technology Officer (CTO), Group Head of Cybersecurity, and Santander US Chief Risk Officer (CRO). Information Security risk is proactively managed. The Program is reviewed regularly by Information Risk Management and Internal Audit, and the CISO meets monthly with the Santander US CEO and Executive Committee to review important information security matters. The Santander US Board of Directors annually reviews and approves the Information Security Program and is provided with regular updates.

Santander has established a strong foundation of governance, policies and procedures based on industry frameworks and best practices, including the National Institute of Standards and Technology Cybersecurity Framework focusing on confidentiality, integrity and availability.

Santander employees, vendors, third parties and non-employees with access to Santander's systems and information must adhere to Santander's policies and standards.

### Confidentiality

**Data is kept private.** Data is only accessible by authorized individuals.



### Integrity

**Data can be trusted.** Data has not been altered or tampered with and remains in its correct and reliable state.



### Availability

**Data is always available.** Data is accessible on-demand by the authorized individuals.



<sup>1</sup> The fraudulent practice of sending emails (phishing) or text/SMS messages (smishing) purporting to be from reputable companies to induce customers to reveal personal information, such as passwords or credit card numbers.



## SECURITY TOOLS

Santander US has a threat intelligence function that continuously monitors cyber threats around the world and gathers information and controls to apply to protect Santander from possible attacks.

We have a suite of security tools and controls deployed as a multi-layered defense shield to continuously mitigate information security risks, threats and attacks. This includes investments in access management, network boundary protections, firewalls, email, ransomware and malware protections. These tools help to detect and prevent information security-related attacks from both inside and outside the company and reduce risk associated with information theft, loss and disclosure. In the event of an attack, our Information Security Program is set up so that we can quickly respond and recover with minimal impact to our business and customers. Rigorous testing is performed throughout the year to test defenses, response plans and the effectiveness of controls.

Our people are the biggest defense in keeping Santander safe. We have a dedicated training and awareness program that provides all the necessary information and guidance for all team members to collectively protect our data and systems. Our training and awareness program also extends to our customers. Working closely with our business lines we focus on what matters to our customers, providing tips and information on how they can keep their data safe in the digital world. We are continuously improving information security controls to anticipate emerging threats from harmful actors, geopolitical situations and new technologies to keep Santander and our customers' data safe.

## DATA PRIVACY

Santander US is also committed to protecting our customers through our Privacy Program, which demonstrates our respect for customers by honoring customer choices when it comes to their personal information. The program has safeguards in place not only to protect customer information, but also to ensure that customers are provided opportunities to exercise meaningful choices as to the information they provide, how it is used and who that data is shared with.

We have a dedicated Privacy Office that oversees the Privacy Program and ensures we comply with our internal- and external-facing policies and all applicable federal and state regulations. The Privacy Office is managed by a Chief Privacy Officer (CPO) who provides reporting to executive management and the Board to ensure privacy matters are transparent and prioritized appropriately.

We maintain an internal microsite for employees dedicated to understanding privacy. For our customers, we have a Privacy and Security Center, which provides education on what our policies are, how they can protect themselves and how we protect them.

### Data Privacy Day

Every January 28<sup>th</sup> we celebrate Privacy Day – a day focused on educating our employees on privacy matters. Events include panel discussions and information on key topics such as protecting children online, identity theft and the internet of things.



## Public Policy

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Santander US participates in the public policy process through our Government Relations and Public Policy function to anticipate changes and have a voice in legislative and regulatory developments on a wide range of issues that may impact the company and the customers and communities we serve. Our legislative and political activities are conducted in accordance with company policies and procedures for compliance with federal, state, and local laws and regulations.

Santander US' advocacy efforts are led by the Santander US Government Relations and Public Policy team, and are executed at the local, state and federal levels by registered lobbyists. Federal lobbying activities are disclosed in accordance with the Lobbying Disclosure Act, which requires quarterly reports to be filed with the US Congress. Non-federal lobbying activity is disclosed to appropriate local and state agencies as required by law. Federal and non-federal lobbying disclosure reports are publicly available.

Santander US maintains a Policy Action Committee (PAC) as part of its Government Relations function so Santander employees may have a voice in the political process. The PAC is funded through voluntary contributions from eligible exempt employees and contributes to federal candidates and members of Congress that support Santander US' policy issues. The PAC is governed by a PAC Board that sets the PAC's strategy and approves its spending and activities. All PAC contributions to federal candidates are disclosed to the Federal Election Commission and are publicly available.





## Appendices

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# Material Topic Definitions

## ENVIRONMENTAL

Operational GHG Emissions and Reductions	<p>Commit to reduce GHG emissions released:</p> <ol style="list-style-type: none"> <li>1. By the business through its buildings, transportation, and other essential activities (known as Scope 1);</li> <li>2. As a result of the business operations through its suppliers and utilities (known as Scope 2); and</li> <li>3. Emissions from activities and assets that Santander doesn't own or operate such as financed emissions and employee commuting (known as Scope 3).</li> </ol>
Green Finance	Support our customers in their transition to a low-carbon economy by embedding environmental factors in products and risk analyses, and by supporting the growth of sustainable financial product markets.
ESG & Climate Risk Management	Ensure our risk management framework incorporates customers' and operations' environmental (e.g., climate) and social (e.g., human rights) risks, and outline them in policies and procedures.
Portfolio Alignment to Net Zero achieved by 2050	Analyze our portfolios' carbon footprints and align them with the Paris Agreement by taking actions to steer them to net zero, applying climate methodologies and setting targets.
Biodiversity / Ecological Conservation	Manage the impact of our financial products and services on ecosystems and biodiversity through whom we lend to and consideration of natural resource extraction, cultivation and project development.
Operational Footprint	Reduce direct operational and indirect value chain impacts through energy and water management; the use and recycling of materials; and green building design (including initiatives for employees to assess and reduce their footprint).

## SOCIAL

Community Engagement and Support	Facilitate engagement with community stakeholders through both financial and non-financial means such as volunteering and donation programs, partnerships with higher education institutions and local leaders to provide educational opportunities, and offering funds and low-cost loans to small-businesses and organizations that represent arts and culture, civic affairs, healthcare, education and human services.
Diversity, Equity and Inclusion	Create an equitable workplace and community that promotes and empowers team members with diverse backgrounds, identities and other factors.
Employee Well-being	Promote positive working conditions and offer programs aimed at supporting employee well-being, including physical, mental and financial health.
Fair & Equitable Compensation	Commit to fair pay and equal opportunities for all employees regardless of age, race, color, sex, gender, national origin, citizenship status, sexual orientation, religion, pregnancy, maternity, marital status, gender identity or expression, genetic information, disability, veteran status or any other status protected under federal, state or local law.
Human Rights	Monitor the company's exposure to human rights violations and ensure that clients, employees and suppliers are respected throughout all our activities.
Social Inclusion	Provide access and advancement opportunities to minority and underserved communities in an effort to drive social inclusion and equity.
Customer Experience and Satisfaction	Support customers and local economies with products and services that meet their needs. Provide services and products that are Simple, Personal and Fair. Innovate and use digital technologies to maximize access to products and services.
Financial Inclusion and Empowerment	Design, develop and deliver products and services that ensure access to the financial system and meet credit needs. Build resilience through financial education.
Talent Management and Development	Attract, engage and retain a productive and talented workforce with benefits and development opportunities. Ensure meritocracy.

# Material Topic Definitions

## GOVERNANCE

Public Policy Practices	Comply with federal, state and local laws and regulations relating to political contributions, gifts to public or government officials, political action committees, lobbying and participation in political campaigns or any other activities that may involve political influence, while advocating for public policies that support the interests of the company, its clients and employees.
Systemic Risk Management	Continuously assess and manage risk across the business as well as within individual business units, products and services to serve the best interest of our clients and the communities in which they operate.
ESG Governance Structure	Design and implement an ESG governance framework that oversees completion of materiality assessments, development of an ESG strategy and monitoring of the evolution of ESG practices.
Innovation & Technology	Contribute to the creation of products and services that enhance operations and customer experiences.
Information Transparency & Disclosure	Provide clear and comparable business information in an accessible manner that demonstrates accountability and credibility.
Culture, Conduct & Ethical behavior	Ensure exemplary conduct across all operations by being Simple, Personal and Fair in all we do; embed I AM Risk culture and best-in-class policies and controls on employees' conduct; promote transparency toward customers.
Privacy, Data Protection & Cybersecurity	Manage the risks from collecting, retaining and using personal information.
Operational & Business Resilience	Adapt to a changing environment (including adverse events), maintain the resilience of the business and build on strategic priorities.
Corporate Governance	Guarantee effective corporate governance to continue creating value for shareholders, allocating capital efficiently and ensuring profitable growth in a responsible way that meets our stakeholders' expectations.
Responsible Procurement	Assess ESG in our supply chain to manage associated reputational and service-level risks.

# UN Sustainable Development Goals

	End poverty in all its forms everywhere		Reduce inequality within and among countries
	End hunger, achieve food security and improved nutrition and promote sustainable agriculture		Make cities and human settlements inclusive, safe, resilient and sustainable
	Ensure healthy lives and promote well-being for all at all ages		Ensure sustainable consumption and production patterns
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all		Take urgent action to combat climate change and its impacts
	Achieve gender equality and empower all women and girls		Conserve and sustainably use the oceans, seas and marine resources for sustainable development
	Ensure availability and sustainable management of water and sanitation for all		Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
	Ensure access to affordable, reliable, sustainable and modern energy for all		Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all		Strengthen the means of implementation and revitalize the global partnership for sustainable development
	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation		

# GRI Index

## We report in accordance with the 'core' option for disclosure for the Global Reporting Initiative (GRI)

This report has been prepared in accordance with the GRI Standards: Core option, as detailed in the tables below and with corresponding references across our reporting. For more information about the Global Reporting Initiative, visit [www.globalreporting.org](http://www.globalreporting.org).<sup>1</sup>

As our ESG disclosure evolves, we will continue to enhance our reporting and align to developments across standards, regulation and common practice.

Topic-specific disclosures determined to be "non-material" and for which we do not provide significant content in this report have been omitted from this table. Certain information may not be disclosed if it is not considered material; is privileged or confidential; could cause a competitive disadvantage; or is not reportable in a manner that aligns to the related GRI indicator.

Disclosure	Indicator	Comment	Reference
GRI 102: General Disclosures			
Organizational Profile			
102-1	Name of the organization		<b>Annual Report and 10-K</b> , Item 1. Business ESG Report 2021, page 8
102-2	Activities, brands, products and services		<b>Annual Report and 10-K</b> , Item 1. Business ESG Report 2021, page 8
102-3	Location of headquarters		<b>Annual Report and 10-K</b> , Item 1. Business ESG Report 2021, page 8
102-4	Location of operations		<b>Annual Report and 10-K</b> , Item 1. Business, Item 2. Properties ESG Report 2021, page 8
102-5	Ownership and legal form		<b>Annual Report and 10-K</b> , Item 1. Business, Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities ESG Report 2021, pages 6, 8
102-6	Markets served		<b>Annual Report and 10-K</b> , Item 1. Business ESG Report 2021, page 8
102-7	Scale of the organization		<b>Annual Report and 10-K</b> , Item 1. Business, Item 2. Properties ESG Report 2021, page 8
102-8	Information on employees and other workers		<b>Annual Report and 10-K</b> , Item 1. Business ESG Report 2021, pages 8, 40-46

<sup>1</sup> Unless noted, this index is prepared in accordance with the Consolidated Set of GRI Sustainability Report Standards 2020.



Disclosure	Indicator	Comment	Reference
102-9	Supply Chain	<p>Santander US does business with more than 3,500 suppliers across a wide range of product and service categories. Our third-party vendor spending is spread across categories such as banking services, real estate, professional services, technology, marketing, document production, travel and telecommunications, among others.</p> <p>Information on supplier diversity is provided within the ESG Report 2021.</p>	ESG Report 2021, page 33
102-10	Significant changes to the organization and its supply chain	On August 23, 2021 SHUSA entered into a merger agreement with SC under which SHUSA would acquire all outstanding shares of SC. The transaction closed on January 31, 2022.	<p><b>Annual Report and 10-K</b>, Item 1. Business, Item 15. Exhibits and Financial Statements Schedules ESG Report 2021, pages 6-8</p> <p><b>Form 8-K, August 23, 2021</b></p>
102-11	Precautionary Principle or approach		ESG Report 2021, pages 12-13, 19
102-12	External initiatives		ESG Report 2021, pages 13-14
102-13	Membership of associations	Santander is a member of several trade associations at both the national and regional levels. We participate in these organizations to engage in the consideration of policy issues that are emerging within our industry. Our national memberships include the American Bankers Association, Institute of International Bankers, Bank Policy Institute and Consumer Bankers Association, among others.	
Strategy			
102-14	Statement from senior decisionmaker		ESG Report 2021, page 4
102-15	Key impacts, risks, and opportunities		<p><b>Annual Report and 10-K</b>, Item 1A. Risk Factors, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations ESG Report 2021, pages 4, 10-13, 19-21</p>
Ethics & Integrity			
102-16	Values, principles, standards, and norms of behavior		ESG Report 2021, pages 4, 50-63
Governance			
102-18	Governance structure		<p>ESG Report 2021, pages 50-63</p> <p><b>SHUSA Board &amp; US Leadership Team</b></p>

Disclosure	Indicator	Comment	Reference
Stakeholder Engagement			
102-40	List of stakeholder groups		ESG Report 2021, pages 11-12
102-42	Identifying and selecting stakeholders		ESG Report 2021, pages 11-12
102-43	Approach to stakeholder engagement		ESG Report 2021, pages 11-12
102-44	Key topics and concerns raised		ESG Report 2021, pages 11-13
Reporting Practice			
102-45	Entities included in the consolidated financial statements		<b>Annual Report and 10-K</b> , Item 1. Business ESG Report 2021, pages 6, 8
102-46	Defining report content and topic boundaries		ESG Report 2021, pages 6, 9, 12-13
102-47	List of material topics		ESG Report 2021, pages 11-13
102-48	Restatements of information		ESG Report 2021, page 3,6,14,23,42
102-49	Changes in reporting	There were no significant changes concerning material topics as this is the first Santander ESG Report that utilizes a materiality assessment. Information on the assessment can be found in the ESG Report.	ESG Report 2021, pages 12-13
102-50	Reporting period		ESG Report 2021, page 6
102-51	Date of most recent report		ESG Report 2021, Report Cover
102-52	Reporting cycle		ESG Report 2021, page 6
102-53	Contact point for questions regarding the report		ESG Report 2021, Report Back Cover
102-54	Claims of reporting in accordance with the GRI Standards		ESG Report 2021, pages 6, 68
102-55	GRI content index		ESG Report 2021, pages 6, 68-77

Disclosure	Indicator	Comment	Reference
102-56	External assurance	<p>No external assurance is provided on this standalone report.</p> <p>Indirect external assurance is provided on select elements of the report, including some metrics, as part of the inclusion of this data in Banco Santander's Annual Report. Specifically, limited independent assurance was provided by PriceWaterhouseCoopers Auditores, S.L., regarding Santander Group's carbon footprint calculation according to ISO 14064.</p>	For information on Banco Santander's Annual Report and external assurance see <b>Santander Group Annual Report 2021</b>
ESG & Climate Risk Management			
GRI 103: Management Approach			
103-1	Explanation of the material topic and its boundary		ESG Report 2021, pages 12-13
103-2	The management approach and its components		<b>Annual Report and 10-K</b> , Item 1A. Risk Factors ESG Report 2021, pages 10, 19
103-3	Evaluation of the management approach		ESG Report 2021, pages 10, 11, 19
GRI 201: Economic performance			
201-2	Financial implications of risks due to climate change		<b>Annual Report and 10-K</b> , Item 1A. Risk Factors ESG Report 2021, page 19
Portfolio Alignment to Net Zero			
GRI 103: Management Approach			
103-1	Explanation of the material topic and its boundary		ESG Report 2021, pages 12-13
103-2	The management approach and its components		ESG Report 2021, pages 10, 20-25
103-3	Evaluation of the management approach		ESG Report 2021, pages 10-13, 20-25

Disclosure	Indicator	Comment	Reference
GRI 305: Emissions			
305-3	Other indirect (Scope 3) GHG emissions	Santander US is not currently able to calculate all financed emissions, which constitute a significant portion of Scope 3 emissions. As part of our net zero commitment, we are working toward calculation and reporting of Scope 3 emissions.	ESG Report 2021, pages 10-13, 20-25
305-4	GHG emissions intensity		ESG Report 2021, page 24
Green Finance			
GRI 103: Management Approach			
103-1	Explanation of the material topic and its boundary		ESG Report 2021, pages 12-13
103-2	The management approach and its components		ESG Report 2021, pages 10, 16-18, 20-21
103-3	Evaluation of the management approach		ESG Report 2021, pages 10-13
GRI 201: Economic performance			
201-2	Financial implications of risks and opportunities due to climate change		<b>Annual Report and 10-K</b> , Item 1A. Risk Factors ESG Report 2021, pages 19-21
Financial Inclusion & Empowerment			
GRI 103: Management Approach			
103-1	Explanation of the material topic and its boundary		ESG Report 2021, pages 12-13
103-2	The management approach and its components		ESG Report 2021, pages 10, 26-49
103-3	Evaluation of the management approach		ESG Report 2021, pages 10-13, 26-49
GRI 413: Local communities			
413-1	Operations with local community engagement, impact assessments, and development programs		ESG Report 2021, pages 26-49



Disclosure	Indicator	Comment	Reference
413-2	Operations with significant actual and potential negative impacts on local communities	Santander US operations have no significant negative impact on the communities we serve and where we are located. Across our footprint we make a positive impact in communities by providing access to banking products and services, as well as through community partnerships, philanthropy and volunteerism.	
Diversity Equity & Inclusion			
GRI 103: Management Approach			
103-1	Explanation of the material topic and its boundary		ESG Report 2021, pages 12-13
103-2	The management approach and its components		ESG Report 2021, pages 12-13, 40-48
103-3	Evaluation of the management approach		ESG Report 2021, pages 11-13, 40-48
GRI 405: Diversity and Equal Opportunities			
405-1	Diversity of governance bodies and employees	Reporting limited to employee population. Santander US boards are not included.	ESG Report 2021, pages 40-48 <b>Employee Data at Santander</b>
405-2	Ratio of basic salary and remuneration of women to men		ESG Report 2021, pages 3, 14
GRI 103: Management Approach			
103-1	Explanation of the material topic and its boundary		ESG Report 2021, pages 12-13
103-2	The management approach and its components		ESG Report 2021, pages 47-48, 58
103-3	Evaluation of the management approach		ESG Report 2021, pages 11-13, 47-48, 58

Disclosure	Indicator	Comment	Reference
GRI 406: Non-discrimination			
406-1	Incidents of discrimination and corrective actions taken	<p>Santander is committed to providing equal employment opportunity for all colleagues and applicants regardless of age, race, color, sex, gender, national origin, citizenship status, sexual orientation, religion, pregnancy, maternity, marital status, gender identity or expression, genetic information, disability, veteran status, or any other status protected under federal, state, or local law. All employees receive training on our Code of Conduct, which provides the framework for non-discrimination across our operations.</p> <p>Colleagues may report complaints, including violation of the Code of Conduct, via multiple channels, including our 24/7, third-party Ethics Line or Portal. All complaints are confidential and may be anonymous. Complainants can track complaint status via the Portal.</p> <p>Upon receipt of any allegation of a violation, Santander conducts a prompt, thorough and impartial investigation. Violations of the Code are subject to appropriate discipline, up to and including termination of employment. Santander strictly prohibits retaliation against colleagues for reporting or assisting in an investigation. We maintain strong tracking and reporting capabilities to monitor compliance with key risk-mitigating controls in this area.</p>	
Customer Experience & Satisfaction			
GRI 103: Management Approach			
103-1	Explanation of the material topic and its boundary		ESG Report 2021, pages 12-13
103-2	The management approach and its components		ESG Report 2021, pages 39, 58
103-3	Evaluation of the management approach		ESG Report 2021, pages 11-13, 39, 58

Disclosure	Indicator	Comment	Reference
Talent Management & Development			
GRI 103: Management Approach			
103-1	Explanation of the material topic and its boundary		ESG Report 2021, pages 12-13
103-2	The management approach and its components		ESG Report 2021, pages 40-46
103-3	Evaluation of the management approach		ESG Report 2021, pages 11-13, 40-46
GRI 401: Employment			
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		ESG Report 2021, pages 40-46 <b>Santander 2022 Benefits Guide</b>
GRI 103: Management Approach			
103-1	Explanation of the material topic and its boundary		ESG Report 2021, pages 12-13
103-2	The management approach and its components		ESG Report 2021, pages 40-46
103-3	Evaluation of the management approach		ESG Report 2021, pages 11-13, 40-46
GRI 404: Training and Education			
404-2	Programs for upgrading employee skills and transition assistance programs		ESG Report 2021, page 44
404-3	Percentage of employees receiving regular performance and career development review during the reporting period		ESG Report 2021, page 45
Privacy, data protection & cybersecurity			
GRI 103: Management Approach			
103-1	Explanation of the material topic and its boundary		ESG Report 2021, pages 12-13
103-2	The management approach and its components		ESG Report 2021, pages 58, 60-61
103-3	Evaluation of the management approach		ESG Report 2021, pages 11-13, 58, 60-61

Disclosure	Indicator	Comment	Reference
GRI 418: Customer privacy			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data.	Santander has a robust program in place to respond to complaints related to potential privacy breaches. The response program complies with applicable laws and regulations, including providing notices to affect individuals, regulators and other entities.	
Information transparency & disclosure			
GRI 103: Management Approach			
103-1	Explanation of the material topic and its boundary		ESG Report 2021, pages 12-13
103-2	The management approach and its components		ESG Report 2021, pages 6, 51-53, 68-77
103-3	Evaluation of the management approach		ESG Report 2021, pages 11-13
Culture, conduct & ethical behavior			
GRI 103: Management Approach			
103-1	Explanation of the material topic and its boundary		ESG Report 2021, pages 12-13
103-2	The management approach and its components		ESG Report 2021, pages 50-63
103-3	Evaluation of the management approach		ESG Report 2021, pages 11-13, 50-63
ESG governance structure			
GRI 103: Management Approach			
103-1	Explanation of the material topic and its boundary		ESG Report 2021, pages 12-13
103-2	The management approach and its components		ESG Report 2021, pages 50-63
103-3	Evaluation of the management approach		ESG Report 2021, pages 11-13, 50-63



While not considered material topics, Santander US has elected to report on the following topics in accordance with GRI Standards.

Disclosure	Indicator	Comment	Reference
<b>Operational GHG emissions and reductions</b>			
<b>GRI 103: Management Approach</b>			
103-1	Explanation of the material topic and its boundary		ESG Report 2021, pages 12-13
103-2	The management approach and its components		ESG Report 2021, pages 10, 22-25
103-3	Evaluation of the management approach		ESG Report 2021, pages 11-13, 22-25
<b>GRI 305: Emissions</b>			
305-1	Direct (Scope 1) GHG emissions		ESG Report 2021, pages 22-25
305-2	Indirect (Scope 2) GHG emissions		ESG Report 2021, pages 22-25
<b>Operational Footprint</b>			
<b>GRI 103: Management Approach</b>			
103-1	Explanation of the material topic and its boundary		ESG Report 2021, pages 12-13
103-2	The management approach and its components		ESG Report 2021, pages 10, 22-25
103-3	Evaluation of the management approach		ESG Report 2021, pages 11-13, 22-25
<b>GRI 302: Energy</b>			
302-1	Energy consumption within the organization		ESG Report 2021, pages 22-25
302-3	Energy intensity		ESG Report 2021, pages 12-13, 22-25

# Inclusive Communities Plan Summary

The following provides summary detail on ICP performance, including total lending (\$ millions) and total loans by state for the years 2017-2021.

	Total		Massachusetts		Connecticut		Delaware		New Hampshire	
Home Lending	Lending (M)	Loans (#)	Lending (M)	Loans (#)	Lending (M)	Loans (#)	Lending (M)	Loans (#)	Lending (M)	Loans (#)
Home Purchase	\$2,325	9,419	\$806	2,686	\$59	374	\$23	125	\$26	125
Refinance	\$1,672	8,123	\$720	3,126	\$35	262	\$10	55	\$33	191
Home Equity and Improvement	\$1,701	13,487	\$614	4,776	\$40	417	\$2	22	\$43	410
<b>Total Lending<sup>1</sup></b>	<b>\$5,698</b>	<b>31,029</b>	<b>\$2,140</b>	<b>10,588</b>	<b>\$134</b>	<b>1,053</b>	<b>\$35</b>	<b>202</b>	<b>\$102</b>	<b>726</b>
Small Business Lending	Lending (M)	Loans (#)	Lending (M)	Loans (#)	Lending (M)	Loans (#)	Lending (M)	Loans (#)	Lending (M)	Loans (#)
SBA Lending <sup>2</sup>	\$1,995	21,742	\$622	6,804	\$80	776	\$3	40	\$40	432
Small Business Lending <sup>3</sup>	\$1,546	13,579	\$351	3,744	\$51	506	\$5	39	\$21	240
<b>Total Lending</b>	<b>\$3,541</b>	<b>35,321</b>	<b>\$973</b>	<b>10,548</b>	<b>\$131</b>	<b>1,282</b>	<b>\$8</b>	<b>79</b>	<b>\$61</b>	<b>672</b>
Community Development										
Lending <sup>4</sup>	\$2,870		\$466		\$82		\$30		\$16	
Investments <sup>5</sup>	\$1,885		\$488		\$62		\$5		\$4	
Philanthropy	\$57		\$18		\$2		\$1		\$1	
Volunteer Hours	65,286		20,944		1,388		362		1,546	

Continued on following page

1 Includes mortgage lending in LMI tracts or to LMI people.

2 Includes Paycheck Protection Program.

3 Includes small business lending in LMI tracts or to businesses with annual revenues less than \$1 million.

4 Includes loans made to and for affordable housing projects, nonprofit organizations that primarily serve LMI communities, CDFIs and to businesses where the loan is more than \$1 million when made as part of the SBA's Certified Development Company/504 Loan Program.

5 Investments made with the purpose of helping meet the credit, housing and economic development needs of LMI communities.

# Inclusive Communities Plan Summary (continued)

	New York		New Jersey		Pennsylvania		Rhode Island	
Home Lending	Lending (M)	Loans (#)	Lending (M)	Loans (#)	Lending (M)	Loans (#)	Lending (M)	Loans (#)
Home Purchase	\$359	827	\$584	2,615	\$391	2,253	\$76	414
Refinance	\$250	640	\$309	1,631	\$224	1,632	\$90	586
Home Equity and Improvement	\$351	1,399	\$365	3,073	\$229	2,733	\$59	657
<b>Total Lending<sup>1</sup></b>	<b>\$960</b>	<b>2,866</b>	<b>\$1,258</b>	<b>7,319</b>	<b>\$844</b>	<b>6,618</b>	<b>\$225</b>	<b>1,657</b>
Small Business Lending	Lending (M)	Loans (#)	Lending (M)	Loans (#)	Lending (M)	Loans (#)	Lending (M)	Loans (#)
SBA Lending <sup>2</sup>	\$348	3,248	\$513	5,486	\$321	3,553	\$68	1,133
Small Business Lending <sup>3</sup>	\$407	2,926	\$419	3,419	\$208	1,783	\$84	922
<b>Total Lending</b>	<b>\$755</b>	<b>6,174</b>	<b>\$932</b>	<b>8,905</b>	<b>\$529</b>	<b>5,336</b>	<b>\$152</b>	<b>2,055</b>
Community Development								
Lending <sup>4</sup>	\$1,458		\$418		\$309		\$91	
Investments <sup>5</sup>	\$554		\$211		\$256		\$102	
Philanthropy	\$13		\$2		\$9		\$2	
Volunteer Hours	14,357		8,980		13,939		3,771	

1 Includes mortgage lending in LMI tracts or to LMI people.

2 Includes Paycheck Protection Program.

3 Includes small business lending in LMI tracts or to businesses with annual revenues less than \$1 million.

4 Includes loans made to and for affordable housing projects, nonprofit organizations that primarily serve LMI communities, CDFIs and to businesses where the loan is more than \$1 million when made as part of the SBA's Certified Development Company/504 Loan Program.

5 Investments made with the purpose of helping meet the credit, housing and economic development needs of LMI communities.

## Awards & Recognitions

Globally Santander has been recognized as one of the best companies to work for by the Great Place to Work Institute, was ranked among the world's 10 most sustainable banks in the 2021 Dow Jones Sustainability Indices, awarded a top 10 ranking in the Bloomberg Gender-Equity Index and recognized as one of the 100 most valuable brands in Interbrand's 2020 Best Global Brands ranking.

### SANTANDER US AND ITS LEADERS HAVE RECEIVED THE FOLLOWING RECOGNITIONS:

#### ENVIRONMENTAL

- ▶ ESG Deal of the Year, Vineyard Wind, Project Finance International
- ▶ Renewables Deal of the Year - North America; Vineyard Wind, IJ Global (Project Finance and Infrastructure Journal)

#### SOCIAL

- ▶ Top 10 Influential Woman in DEI, Rosilyn Houston, Chief Human Resources Officer, Diversity Global Magazine
- ▶ Top Companies: Boston, Santander Bank, LinkedIn
- ▶ Corporate Citizen Awards, Boston Business Journal
- ▶ National Volunteer of the Year, Network for Teaching Entrepreneurship (NFTE)
- ▶ President's Service Award, Junior Achievement
- ▶ Volunteer of the Year, Institute for Entrepreneurial Leadership (IFEL)
- ▶ Triumph of the Spirit Human Rights Award for the Santander Consumer Foundation, Southern Methodist University Human Rights Program
- ▶ D CEO Nonprofit Corporate Citizenship Collaboration Finalist, Santander Consumer Foundation partnership with the Dallas Innovation Alliance (Mobile Learning Lab)

#### GOVERNANCE

- ▶ CFO of the Year, Fahmi Karam, Santander Consumer CFO, Dallas Business Journal

# Glossary

## ACRONYM MEANING

AAPI	Asian American and Pacific Islander
ARC	Advise, Relate, Cultivate
BOLD	Black Organization for Leadership and Development
BSI	Banco Santander International- Miami
BSSA	Banco Santander S.A.
CARE	Customer, Advocacy, Resource and Education
CDF	Community Development Finance
CDFI	Community Development Financial Institution
CDP	Carbon Disclosure Project
CEO	Chief Executive Officer
CER	Certified Emissions Reduction
CFO	Chief Financial Officer
CISO	Chief Information Security Officer
CPO	Chief Privacy Officer
CRA	Community Reinvestment Act
CRO	Chief Risk Officer
CSB	Cultivate Small Business
CSR	Corporate Social Responsibility
CTO	Chief Technology Officer
DEI	Diversity, Equity and Inclusion
ERG	Employee Resource Group
ERM	Enterprise Risk Management
ESG	Environmental, Social and Governance
GAAP	Generally Accepted Accounting Principles
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
ICIC	Initiative for a Competitive Inner City

## ACRONYM MEANING

ICP	Inclusive Communities Plan
IEA	International Energy Agency
LGBTQ+	Lesbian, Gay, Bisexual, Transgender, Queer and other
LMI	Low- and Moderate-Income
MBE	Minority Business Enterprise
MDC	Miami Dade College
NCRC	National Community Reinvestment Coalition
ODEI	Office of Diversity, Equity and Inclusion
PAC	Political Action Committee
PCAF	Partnership for Carbon Accounting Financials
PPP	Paycheck Protection Program
RAS	Risk Appetite Statement
SASB	Sustainability Accounting Standards Board
SBA	Small Business Administration
SBNA	Santander Bank NA
SC	Santander Consumer USA
SDG	Sustainable Development Goals
SEC	Securities and Exchange Commission
SFCS	Sustainable Finance Classification System
SHUSA	Santander Holdings USA
SIS	Santander Investment Securities
SME	Small and Medium Enterprises
STEM	Science, Technology, Engineering and Math
SYEP	Summer Youth Employment Program
TCFD	Task Force on Climate-Related Financial Disclosures
UN	United Nations
WEF	World Economic Forum



## FOR MORE INFORMATION

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[ESG@santander.us](mailto:ESG@santander.us)

General Information on Santander US  
[santanderus.com](https://santanderus.com)

Santander US Investors and Shareholders  
[santanderus.com/investors-shareholders/](https://santanderus.com/investors-shareholders/)

Santander Group  
[santander.com/en/home](https://santander.com/en/home)

Diversity, Equity and Inclusion  
[santanderus.com/diversity-equity-inclusion/](https://santanderus.com/diversity-equity-inclusion/)

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For more information on Santander US' Environmental, Social and Governance or this Report, please contact:

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[ESG@santander.us](mailto:ESG@santander.us)

Additional resources:

[santanderus.com](https://santanderus.com)

**in**

[santanderbank.com](https://santanderbank.com)

**in f**  

[santanderconsumerusa.com](https://santanderconsumerusa.com)

**in f**  