

# **DONATIONS**

## **Policy**

### **Santander Group**

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## 1 INTRODUCTION

### 1.1 Purpose and context

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

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

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

The purpose of this policy is to set out the criteria that regulate the treatment of donations as well as the process for making donations (proposal, assessment, decision, control and monitoring) that the Santander Group considers making for social purposes.

This policy is complemented by the Donations guide, which sets out the technical details and documents required to make these donations.

### 1.2 Definition and scope

In order to understand this policy, it is necessary to define the following terms/concepts:

- **Donation:** Contribution, made voluntarily, free of charge and transparently through different instruments, monetary or in kind, which may include, among others, products, services and which is made on behalf of a Santander Group entity without receiving any tangible or measurable value in exchange.
- **Simple donation:** Donation, monetary or in kind, to the beneficiary entity for a specific project or purpose or to enable it to continue to carry out the activities set out in its object and purpose.
- **Collaboration Agreement:** Agreement between the beneficiary entity and the Santander Group entity making the contribution that describes the objective and conditions of the agreement.
- **Sponsor function:** the function requesting the donation. As such, it is responsible for the identification and analysis of the different risks, including the reputational risk arising from its proposal, as well as other aspects as indicated in section 2.4.3 Approval of this policy.

This policy applies to all donations, which may be in cash or in kind.

The following are excluded from the scope of this policy, and are regulated by their own regulations, specifically:

- Gifts, acts of courtesy and invitations of little value, which shall be governed by the provisions of the General Code of Conduct and the Anti Bribery and Corruption policy
- Contributions and funding to political parties, or bodies dependent on political parties, shall be governed by the provisions of the general policy for the funding of political parties.

- Any contributions entailing an advertising, commercial or institutional consideration (such as sponsorships, institutional contributions, etc.), irrespective of the beneficiary, which shall also be governed by the specific regulations applicable.

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

- Contributions made by Santander Universities, which will be governed by the collaboration agreements with the universities and approved in accordance with the internal processes defined and reviewed in the Santander Universidades “budget, expenses and investments monitoring meeting”.
- Contributions made by foundations, or similar entities, related to the Santander Group governed by their statutes and governing bodies.
- Volunteering activities carried out by Santander Group employees: Activities carried out by Group employees, other than those within the framework of collaboration agreements are not considered as donations.
- Collections made by non-profit entities up to 2000 euros and punctual contributions for less than 1000 euros. In both cases excluding any activity involving advertising for the Santander entity.

### 1.3 Scope

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

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

Such approval must contain the validation of the Corporation.

## 2 APPLICATION CRITERIA

Santander group donations will be ruled by the following criteria:

### 2.1 Criteria relating to the materialization of donations

Donations may materialize:

- Simple donations<sup>1</sup>.
- Through collaboration agreements between the Santander Group company making the contribution and the beneficiary of the contribution.

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<sup>1</sup> Donation in cash or in kind to the beneficiary organization for a specific project / purpose or to enable it to continue to carry out the activities set out in its object and purpose.

Under no circumstances donations shall be made in cash or by any means of payment other than bank transfer.

## 2.2 Criteria related to the purpose of the donations

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

- The defence of human rights, as proclaimed by the UN's Universal Declaration of Human Rights.
- Education, science, employment, innovation and entrepreneurship.
- Research, in its various fields and formats.
- Human welfare and social development.
- The strengthening of institutions and the implementation of democratic principles.
- The preservation and protection of the environment.
- Art and culture.
- Other social purposes accepted by the Santander Group. (e. g. healthcare)
- Humanitarian crisis (pandemic, wars, natural disasters, etc.). Donations made in this context, and depending on the severity of the crisis, must be coordinated between the corporate functions and the Group's units involved, and comply with the regulations applicable to them. At least the reputational, crisis management and responsible banking functions must be involved.

## 2.3 Beneficiary criteria

Donations may be made to the following recipients:

- a) Non-profitmaking social bodies, such as foundations, NGOs, associations, trusts and other similar bodies linked and non- linked to Santander
- b) The Central, Regional and local governments, as well as their organizations.
- c) International Organizations (i.e UN, WHO...)
- d) Profitmaking bodies, when the Contribution is made exclusively for social purposes.
- e) Donations to individuals shall not be permitted, unless they are made pursuant to a specific programme that has already been approved in accordance with this Policy.

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

For these purposes, the sponsor function must, except in cases b and c of this of this section, obtain a declaration<sup>2</sup> from the beneficiary entity, in which it must state whether any of the circumstances

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<sup>2</sup> The template for the declaration of the beneficiary entity is included in the corresponding Guide regarding donations.

stipulated are applicable, notwithstanding any analyses or requirements for additional documentation on the part of the Sponsor, should it deem this appropriate.

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

## 2.4 Criteria related to the process

The process of donations is based on the phases detailed in this section. In each of them, what is regulated here must be followed.

### 2.4.1 *Application Form*

The sponsor function is responsible for collecting, analyzing and keeping the documentation that makes up the donation file, both regarding new donations and recurrent ones

The Guide on donations contains all the details of the documentation to be included in the file, which should include:

- Statement<sup>3</sup> from the sponsor function confirming that, having performed the relevant analysis, it is complete and complies with the requirements established in this policy.
- The agreement of the responsible banking function regarding the suitability of the donation and beneficiary, in relation to the sustainability strategy of the Santander Group.
- The favorable opinion of the reputational risk function of Compliance & Conduct (hereinafter, C&C) , as described in the Guide on donations.
- The conformity of the FCC function in case of detection of any evidence of risk or link of the beneficiary entity and/or members of its governing bodies with sanctions and cases of corruption.
- The legal counsel function should be informed of the contribution in order to, if deemed appropriate, it may intervene documenting the donation, without prejudice to the fact that if they notice any issue about the contribution, can make this clear.

### 2.4.2 *Approval*

Donations will follow the following approval process:

i. Donations made at corporate level

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

Donations up to 50,000 euros, and those made on a recurrent basis with a value between 50,000 and 150,000 euros unless any of the circumstances indicated in the following point apply.

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<sup>3</sup> The template for the statement from the sponsor function is included in the corresponding Guide regarding donations.

The sponsor function of the donation shall submit it to the approval of said body, or person responsible for the Division or Corporate area, to whom the application file (which shall include what is indicated in section 2.4.1 Application file) shall be sent, and which must be available to them, and to the control functions involved in the process <sup>4</sup> at any time.

- The donations listed below must be submitted for approval to the Executive Committee of Banco Santander, S.A <sup>5</sup> (from now on, EC):
  - Donations allocated to new beneficiary entities or projects above 50,000 euros, or those below this amount, when the combined sum of all donations made by Santander Group entities to the same beneficiary over the last year exceeds 50,000 euros.
  - Donations considered to be made on a recurrent basis above 150,000 euros, or those below this amount, when the combined sum of all donations made by Santander Group entities to the same beneficiary over the last year exceeds 150,000 euros.
  - Any donation made to companies running communication media, to their foundations or other organizations related thereto.
  - Any donation made to particularly sensitive sectors or beneficiaries: when, in the opinion of the sponsor function, responsible banking function and/or the C&C Reputational risk and function, the donation may be particularly sensitive in terms of the sector involved or of the members of the governing body of the organization receiving it.

In any case, the EC must approve the donations to those entities whose management and governing bodies include, in an individual capacity<sup>6</sup>, members of senior management or members of the board of directors of Banco Santander, S.A. or any of its subsidiaries.

The function sponsoring the donation to be submitted to the EC for approval must submit the statement on the dossier (described in section 2.4.1 Application dossier), including the favorable opinions of the corporate responsible banking, C&C reputational risk, legal counsel functions and FCC in case of detecting any link of the beneficiary entity and/or of the members of its governing bodies to cases of corruption, to the Corporation's General Secretariat for submission to the EC.

ii. Donations made by local units

- Donations subject to Santander Group EC validation.
  - Local donations allocated to new beneficiary entities or projects with a value exceeding 50,000 euros.

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<sup>4</sup> Functions involved in the process (responsible banking function, reputational risk function of compliance and conduct, and legal counsel).

<sup>5</sup> Santander Group parent company

<sup>6</sup> For these purposes, it is understood that they are members in an individual capacity, when their appointment has not been made at the Bank's proposal, to act in its name and on its behalf in said administrative and governing bodies.

- Donations considered to be made on a recurrent basis above 150,000 euros, or those below this amount, when the combined sum of all donations made by Santander Group entities to the same beneficiary over the last year exceeds 150,000 euros.

The local sponsoring function must obtain the prior approval, under the same conditions, of the first level local body (local Board or Executive Committee) of the Group's head entity in the country where the donation is made before submitting it to the EC for validation.

Approval shall be the responsibility of said local body once EC validation has been obtained.

- Donations not necessarily subject to EC validation.
- Donations to new beneficiary entities or projects of less than 50,000 euros or those where the cumulative sum of such donations during the current calendar year does not exceed 50,000 euros.
- Donations considered to be made on a recurrent basis below 150,000 euros, or those where the cumulative sum of such donations during the current calendar year does not exceed 150,000 euros.
- For local donations to new beneficiary entities or projects that, being below 50,000 euros, are contemplated in the previous sections corresponding to media and particularly sensitive sectors or beneficiaries, the local first level body, together with the local reputational risk function opinion, may decide not to submit them for validation by the EC.

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

In the event of a humanitarian crisis that triggers a certain level of special situation, the amount for approval of donations in this context will follow the governance activated for special situation management requiring the risk analysis to be conducted aligned with the criteria set in this policy.

### 2.4.3 *Formalization and implementation*

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

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



#### 2.4.4 Register

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

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

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

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

#### 2.4.5 Monitoring and reporting

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

Local reputational risk functions shall report semi-annually on donations made during the period to the corporate reputational risk function and report at least annually to their local compliance committees.

The local reputational risk functions shall perform a half-yearly reconciliation of the donations made with the local responsible banking function to ensure the completeness and accuracy of the donations made, which shall be sent to the corporate reputational risk function on a half-yearly basis. The Santander Universities function will report, at least annually, on the donations made to the corporate Reputational Risk function.

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

### 3 GOVERNANCE AND FACULTIES

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

#### 3.1 Executive Committee

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

#### 3.2 Compliance and Conduct Committee

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

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

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

## 4 CONTROL AND EVIDENCES

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

Specifically, the following control mechanisms are established:

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

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

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

## 5 GOVERNANCE OF THE POLICY

### 5.1 Ownership of the policy

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

The approval of this version corresponds to the Compliance and Conduct Committee.

### 5.2 Interpretation

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

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

### 5.3 Effective date and review of the policy

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

## 6 CHANGE CONTROL

ID	In charge	Maintenance	Validation	Approved	
				Committee	Date
2RP171-1	EC	B. Beneytez	Compliance Policies	EC	07 jul 18
2RP171-2	B. Beneytez	J. Alperi	Compliance Policies	EC	08 nov 21
2RP171-3	B. Beneytez	J. Alperi	Compliance Policies	CCC	06 jun 23

ID	Description
2RP171-1	First version of the policy
2RP171-2	Updating of the document to adapt the approval circuit to the current government. Referral to the procedural technical aspects guide.
2RP171-3	Modification of the name of the policy to Donations Policy. The document is updated to incorporate changes to existing sections such as the mention of donations in the context of humanitarian crises, as well as the inclusion of a new section with definitions and establish the participation of the FCC function, for an alignment with ABC policy, and of the crisis management function. Modifications to the terminology of social purpose contributions for donations.