
Sustainability Report | 2022



GRI 1, 2-2, 2-3, 2-5

About this report

This sustainability report is issued by Santander Consumer Bank AS and provides consolidated non-financial information relating to the organisation's progress on Environmental, Social and Governance (ESG) matters for the financial year 2022. The report is developed in accordance with the GRI 2021 standards.

Scope

This report relates to the activities of Santander Consumer Bank AS (organisation number: 983521592) from 1 January to 31 December 2022. Santander Consumer Bank AS is a Norwegian commercial bank that holds a banking licence granted and regulated by the Financial Supervisory Authority of Norway, and which also operates in Sweden and Denmark, with a wholly owned subsidiary in Finland, collectively referred to as "the Group". It is a fully owned subsidiary of Santander Consumer Finance S.A., which in turn is owned by Banco Santander S.A.

Regulations, reporting standards and other references

The report is developed in accordance with the Global Reporting Initiative (GRI) 2021 Universal Standards and highlights the organisation's progress on ESG and sustainability related matters. Additionally, the Task Force on Climate-related Disclosures (TCFD) framework

is utilised as a reference to report climate related risks and opportunities. The report also references progress on specific UN Sustainable Development Goals.

GRI indicators are included in each chapter and sub-chapter corresponding to the GRI content index. Likewise, Annex II Global Reporting Initiative (GRI) content index provides a consolidated overview of the reporting standards as well as referencing to where related information can be found in this report and elsewhere.

Material aspects and stakeholder involvement

The Group maintains an active dialogue with stakeholders to understand their expectations and has conducted a materiality assessment to identify material ESG-related topics. Emerging regulatory requirements and market practices are closely monitored and the Group is committed to continuing its focus on evolving its response and maturity related to ESG matters.

This report provides insight into the sustainability of the organisation's Nordic operations, in particular in relation to internal and external impacts. The process for defining material topics and materiality assessment findings is presented in chapter 3 'Materiality Assessment'.

External verification

PricewaterhouseCoopers AS, an independent firm charged with auditing the financial statements of Santander Consumer Bank AS, has issued a verification report, with limited assurance, on the non-financial information required under the GRI standards found in this report. The assurance conclusion can be found in the "Independent verification report" at the end of this report.





Sustainability Report | 2022

Santander Consumer Bank AS
Published 13 September 2023

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CEO's foreword and Sustainability Highlights 2022

As an organisation, we are committed to our Responsible Banking agenda and in supporting our customers' and society's transition to a more sustainable future.

Doing business in a responsible and sustainable way

Grupo Santander, one of the world's largest financial groups, has ambitious and progressive sustainability goals and was in 2022 ranked amongst the world's most sustainable banks in the Dow Jones Sustainability Index¹, placing amongst the top three in Europe. Our Nordic organisation is fully committed to these goals and to establishing sustainability throughout our end-to-end value chain.

This summer we have witnessed record temperatures and wildfires around the globe. It serves as a stark reminder of the need to continue the transition to a low carbon economy. However, individuals alone cannot solve the world's sustainability challenges.

We are fully mindful that our business is to finance consumption. Consumption, by its nature, has a climate footprint, whether this be vehicles, consumables or travel. The motivation is not to inhibit consumption, moreso to support our customers in making sustainable consumption choices. This philosophy is exemplified by our brand concept

"When it feels right", where we raise the question of what responsible consumption means for people living in the Nordics.

Shifts in consumption behaviour amongst consumers towards more sustainable choices presents businesses with opportunities. We, as a bank, are committed to being there to support our customers and partners in making this transition.

In our view, society's transition to a more sustainable and equitable future requires four key elements; governmental policy making, corporate response, consumer willingness and importantly, organisations such as ourselves to finance it. A very relevant example of how these elements come together in combination for the good of society is the continued adoption by Nordic consumers of electric powered vehicles. As the region's largest auto finance provider, we are making a significant contribution to the green transition within the mobility sector.

In Santander, we believe in a broad approach to sustainability, from how we take care of our employees and support our local communities, to how we advise and work together with our customers and partners on sustainable

choices. Listening to our stakeholders is of vital importance to ensure we are focused on those sustainability topics that are of most relevance and importance to them and us.

In releasing our second Sustainability Report, we are proud of our Responsible Banking achievements in 2022 – summarised below. We are mindful though that much work lies ahead, in particular in adopting and adapting to the emerging regulatory landscape as well as embedding sustainability principles throughout the organisation. We are fully committed to this for the good of our customers, partners, stakeholders and society at large.



Michael Hvidsten
CEO, Santander Consumer Bank AS



"Society's transition to a more sustainable future requires four key elements; governmental policy making, corporate response, consumer willingness and

importantly, organisations such as ourselves, to finance it."



¹Santander Press release 10 December 2022

Sustainability highlights 2022

ESG component	Strategic ambition	2022 Highlights
Environmental Support climate transition	Deliver on Santander's Net Zero ambition by 2050 , helping our customers in their transition to a sustainable and low carbon economy	<ul style="list-style-type: none"> > As a member of the Banco Santander Group, the ambition to become net zero by 2050 is fully embraced. > The Group continues to support and finance the decarbonisation transition in transportation. As a leader in the Nordic auto finance market, the Group's share of all new BEV (Battery Electric Vehicles) financed in the Nordic market was 13.9%. > The financing of home energy solutions is an increasingly attractive business segment. The Finnish market is the Group's largest market for home energy financing, and the home energy solutions business has grown significantly in 2022 by 266% (by number of contracts). > The Group has progressed initiatives to capture and report climate related aspects both in our own operations as well as in our financing activities, aligned with emerging regulatory requirements. > The Group is implementing the groupwide Santander Sustainable Funding Framework for future issuances of green bonds. > 100% of the energy supplied to the offices in the Nordic countries came from renewable energy sources.
Social Contribute to generate positive returns to society	Support productive inclusion across our main stakeholders , employees, customers, and communities	<ul style="list-style-type: none"> > In April 2022, the Group launched its new brand concept "When it feels right" to encourage responsible consumption. > The Group continued to place strong focus on responsible lending and compliance with regulations. > The Group mobilised to adopt and respond to the Norwegian Transparency Act in relation to human rights and decent working practices in its value chain. In June 2023, the inaugural Transparency Act Statement was published on the Group's Norwegian website. > The Group is a proud sponsor of many sporting events across the Nordics, in addition to supporting selected charities. > The Group continued to operate a Flexiworking model to promote a healthy work-life balance amongst its employees. > In 2022, the Group donated NOK 250 000 to humanitarian aid through the Norwegian Red Cross, in addition to donations from Santander Global to assist in the response to the war and resulting humanitarian crisis in Ukraine.
Governance Embed ESG across the organisation	Incorporate ESG in behaviours, policies, processes, and governance throughout the Group	<ul style="list-style-type: none"> > During 2022, the Group further progressed operationalisation of its Responsible Banking agenda, including the publication of its inaugural Sustainability report 2021. > The Group adopted the groupwide Santander Responsible Banking Framework. > The Group continued its focus on embedding ESG risks and opportunities into its risk management and other strategic management processes. > The Group rolled out a broad program of mandatory training on internal control and governance related aspects, including mandatory ESG training for all employees. > The Group further incorporated Responsible Banking updates into the Board of Directors' agenda for 2023.

GRI 2-6, 2-25

Our Approach to Responsible Banking

Santander Group Responsible Banking Ambitions, Strategy and Agenda

Banco Santander’s vision is to play a major role in society’s transition to a low carbon economy, driving inclusive and sustainable growth and addressing social and environmental risks and opportunities. ESG is embedded throughout its culture and strategy, which is focused on helping customers transition to a low carbon economy, by offering them best in class sustainable propositions in a simple, personal, and fair way.

Banco Santander aims to be net zero in carbon emissions by 2050. This applies to operations

and emissions from lending, advisory and investment services. Banco is a founding member of the Net Zero Banking Alliance (NZBA, under the United Nations Environment Programme Finance Initiative), committing them to:

- Support the transition of operational and attributable greenhouse gas (GHG) emissions from lending and investment portfolios towards pathways to net zero by 2050

- Set intermediate targets for priority GHG emitting sectors for 2030 (or sooner)
- Prioritize client engagement with products and services that facilitate transition in the real economy

Banco Santander is also working to align portfolios with the Paris Agreement and maintaining carbon-neutral operations. Fully integrating climate within risk management is key to delivering on this ambition.

A climate strategy based on the following green pillars has been established to support the green transition:

- Aligning portfolios with Paris Agreement goals
- Supporting customers in the green transition
- Reducing the organisation’s environmental impact
- Embedding climate within risk management

ESG Agenda

Banco Santander has established a Responsible Banking agenda, based on three ESG-aligned strategic pillars to guide its actions – outlined here.

Figure 1. Banco Santander’s 3 Strategic Pillars





3 strategic pillars	Ambition	Strategic Actions
(E) Support the transition to a low carbon economy	Deliver our Net zero ambition by 2050	<ul style="list-style-type: none"> • Set targets in our portfolios to align with pathways to net zero, while taking into consideration other environmental goals • Support customers in their transition, engaging with them and developing a best-in-class sustainable finance and investment proposition
(S) Promote inclusive growth	Support inclusive growth across our main stakeholders: employees, customers and communities	<ul style="list-style-type: none"> • Diverse and inclusive workplace that fosters employees’ wellbeing • Support financial inclusion and financial health promoting access to financial products and services and offering financial education • Support communities, with focus on Education, Employability and Entrepreneurship
(G) Strong governance and culture across the organisation	Incorporate ESG in behaviours, policies, processes and governance throughout the Group	<ul style="list-style-type: none"> • Drive culture, conduct and ethical behaviour • Integrate ESG into strategic processes, Risk Management & rest of relevant units and build capabilities

Climate and environmental targets

As a founding member of the UN Principles for Responsible Banking, Banco Santander has established a series of targets and public commitments in areas where it has the greatest potential impact. These are “SMART” (Specific, Measurable, Achievable, Realistic and Timebound) and are supportive of the targets set out in the Paris Agreement, including commitments related to exposures in the power generation, energy, aviation and steel industries related to reducing the greenhouse gas emissions intensity of Banco Santander’s lending portfolio.

In 2022, Banco Santander outlined 3 new interim targets to decarbonise its portfolios by 2030, focusing on the most carbon intensive and material sectors: -29% absolute emissions financed in the energy (oil & gas) sector; -33% emissions intensity in the aviation sector and -32% emissions intensity in the steel sector, alongside a target of -46% emissions financed in the power generation sector set in 2021.

Banco’s public commitments are outlined in the table below:

	2018	2019	2020	2021	2022	Target
Green finance raised and facilitated (cumulative) (EUR) ^a		19 bn	33.8 bn	65.7 bn	94.5 bn	 120 bn by 2025 220 bn by 2030
Socially Responsible Investments AuMs				27.1 bn	53.2 bn	→ 100 bn by 2025
Electricity used from renewable ^b energy sources	43% →	50%	57%	75%	88%	→ 100% by 2025
Thermal coal-related power & mining phase-out (EUR)				7 bn	5.9 bn	→ 0 by 2030
Emissions intensity of power generation portfolio ^{c,d}		0.21	0.17			→ 0.11 tCO ₂ e / MWh in 2030
Absolute emissions of energy (oil & gas) portfolio ^c		23.84				→ 16.98 mtCO ₂ e in 2030
Emissions intensity of aviation portfolio ^c		92.47				→ 61.71 grCO ₂ e / RPK in 2030
Emissions intensity of steel portfolio ^c		1.58				→ 1.07 tCO ₂ e / tS in 2030
Women in senior positions (%) ^e	20% →	22.7%	23.7%	26.3%	29.3%	→ 30% by 2025
Equal pay gap ^f	3% →	2%	2%	1%	1%	→ ~0% by 2025
Financially empowered people (cumulative) ^g		2.0 mn	4.9 mn	7.5 mn	11.8 mn	 10 mn by 2025

 Cumulative target  From...to...

Table 1: Banco Santander’s public commitments

Nordic approach to Responsible Banking

The purpose of Santander Consumer Bank AS, including its branches and subsidiaries (hereafter referred to as “the Group”) is to “help people and businesses prosper” with the ambition to be the “leading Nordic consumer finance platform” by acting responsibly and earning the lasting loyalty of people, customers, shareholders and communities. Achievement of these ambitions is pursued through a strategy based upon 3 strategic pillars:

- **Grow Selectively** – placing sustainable profitability at the core of existing and new business propositions
- **Operate Efficiently** – ensuring an efficient, robust, and scalable operating model and resource allocation
- **Work Collaboratively** – an organisational model underpinned by collaboration and engagement

A key foundation of this strategy is to operate in a “responsible and sustainable way” embracing the concept of “Responsible Banking” and through this ensuring full alignment with Banco Santander’s ESG strategy and ambitions. The Nordic approach to Responsible Banking is founded upon the achievement of a sustainable end-to-end value chain throughout business operations – as outlined in figure 2 below.

UN Sustainable Development Goals

The Group’s sustainable value chain also embraces relevant UN Sustainable Development Goals, where it considers that it can provide the greatest positive contribution. These include:



How the Group works with these SDGs are outlined in Annex V.



Figure 2. Our value chain

Executing on Banco Santander's Climate Strategy

Banco Santander's four pillar climate strategy guides the Group's approach to supporting its Nordic customers' sustainability transition and the achievement of net zero by 2050 ambitions. Figure 3 below illustrates how the Group supports and executes on Banco Santander's climate strategy:

Aligning with Banco Santander's commitments to the Net Zero Banking Alliance, the Group is working on developing 2030 and 2050 GHG

emission targets and trajectories for its Nordic Auto finance business during H2 2023. The aggregated baseline emissions and emission targets for 2030 will be published in Grupo Santander's Annual Report 2023.

Climate risks and opportunities

The application of the Task Force on Climate-related Financial Disclosures (TCFD) framework provides analysis on the chronic and acute physical risks of climate change that our business operations are exposed to, as well

as risks associated with the transition to a low carbon economy.

The TCFD framework addresses four main aspects: Governance, Strategy, Risk Management and Metrics & Targets. How each of these aspects are addressed in this report are included in Annex III Task Force on Climate-related Financial Disclosures (TCFD), as well as the results of the risk and opportunities assessment.



Embedding Banco Santander's climate strategy into Nordic environmental ambitions and activities

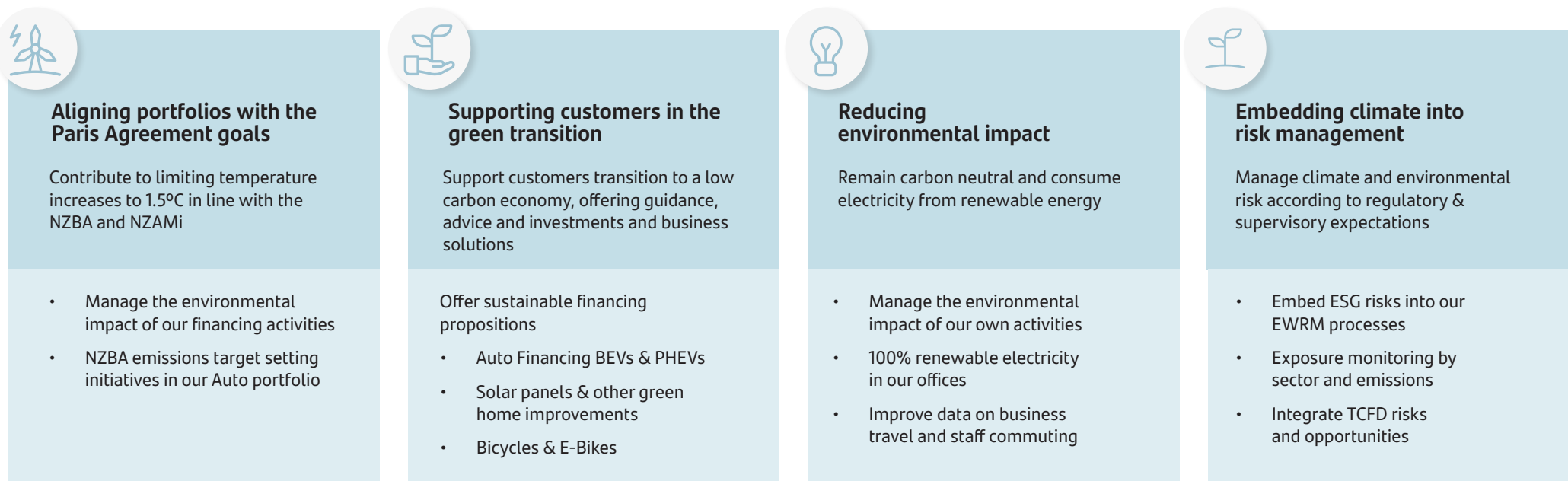


Figure 3. Embedding Banco Santander's climate strategy into our Nordic environmental ambitions and activities

GRI 3-1, 3-2

Materiality Assessment

The Group’s Responsible Banking efforts are guided by ensuring consciousness around the most material sustainability topics potentially impacting the environment, society and own business.

Process to identify material topics


A materiality assessment was conducted to identify the organisation’s most significant sustainability-related **material topics**. The assessment was performed as a four-step process in accordance with the GRI 2021 standards to assess actual and potential negative and positive impacts upon the economy, environment, and people, including impacts on their human rights:

1	Understand the organisation’s sustainability context	Conduct business and value chain mapping, including interviews with internal and external stakeholders ² .
2	Identify actual and potential impacts	Produce a comprehensive list of potential and actual impacts – both positives and negative based on the value chain mapping in step 1.
3	Assess actual and potential impacts	Assess significance of impacts towards scale, scope and likelihood of the impact occurring, with greater emphasis on human rights-related impacts as per the updated GRI 2021 standards. Group positive and negative impacts into related topics considering social, economic and environmental factors.
4	Establish materiality threshold and validate	Evaluate (score and weigh) topics according to their individual impacts and obtain a list of potential material topics. Finally, determine the material topics by establishing a materiality-threshold through discussions with management and key stakeholders. This resulted in a final list of six topics most materially impacting the environment, society and the business, establishing the league table of material topics and baseline for reporting.

Table 2: Four-step approach to determine material topics

²⁾ Internal stakeholders are experts employed in different business areas of the organisation, external stakeholders are third-party expert organizations or individuals with industry experience

The process identified nine key topics with associated impacts on the Group’s business and stakeholders (potential material topics). Of these, six topics were determined material, ranked in order of their actual and potential impacts. The material topics are listed below and constitute the Group’s league table of material topics and baseline for sustainability reporting.



1. Promoting responsible consumption
2. Minimising our carbon footprint
3. Ensuring human rights and good working conditions in our value chain
4. Acting as a responsible lender
5. Protecting the organisation’s and customers’ data
6. Preventing corruption, money laundering and terror financing

Figure 4. Material topics

The remaining three topics were deemed relevant, but not of a material nature to the Group’s business activities. These were: *Enabling financial inclusion and financial health, Supporting communities, and Promoting diversity, equality and inclusion.*

Material topics validation

The six material topics identified for the 2022 Sustainability report are different from those reported previously (2021). The changes in material topics are a result of the Group’s increasing maturity in conducting materiality assessments, the use of updated GRI standards and an increased focus on impacts, as well as responses to new and developing legislation on human rights, such as the Transparency Act (Åpenhetsloven) in Norway, Anti-Money Laundering (AML) regulations and an increasing focus on data protection and cyber security.

The results of the materiality assessment have been reviewed by internal stakeholders, including senior management, to ensure validation and to capture insights into how the Group actively works with these topics. The material topics and are described in detail in the following chapter – “Our Sustainable Priorities”.

GRI 3-3, 203-2, 205-1, 205-2, 205-3, 305-1, 305-2, 305-3, 404-1, 404-2, 404-3, 407-1, 408-1, 409-1, 414-1, 414-2, 418-1

Our Sustainable Priorities

Material topics

The six material topics identified represent primary areas where the Group can make positive environmental or societal impacts, or where it is crucial to address and mitigate any negative impacts arising from its operations.

To ensure standardisation, comparability, and continuous progress, relevant Global Reporting Initiative (GRI) Disclosures have been linked to each material topic. GRI Disclosure 3-3 has been applied across all identified material topics to provide an explanation of how we manage each of these areas. In addition, Environmental, Social, and Governance (ESG) Key Performance Indicators (KPIs) are used to measure the Group's progress. These KPIs help guide decision-making processes, support strategic ambitions, and enhance sustainability efforts. Company-specific KPIs pertinent to the Group's operations have been integrated where existing GRI Disclosures do not fully encompass the Group's impact.

This chapter describes the management of each material topic, associated impacts on the environment, society and economy, KPIs and measures, as well as plans to improve performance consistent with the Group's strategic ambitions.

Promoting responsible consumption

GRI 3-3, 203-2

What this means to the Group

Aligned with Banco Santander, the Group is committed to achieving net-zero CO2 emissions by 2050 in support of the Paris Agreement's climate change objectives. This applies both to own operations and customers' emissions. Recognising the impact of consumer demand and credit provision on the environment, responsible and sustainable consumer choices to drive the transition to a low-carbon economy is a priority. This aligns with the Group's sustainable value chain approach; offering sustainable value propositions to customers and partners.

Key activities and measures

Consumer financing activities are split into two main product areas: auto finance and unsecured consumer finance. The status of the Group's sustainable financing activities in 2022 are set out in table 3.

Metric	Description	2022 Actual	2021 Actual
Auto (New Business Volumes – € equivalent)	Electric vehicles financed in the Nordics	1 482 MM EUR	1 084 MM EUR
Commercial (New Business Volumes – € equivalent)	Real estate (solar panels, green heating systems, energy efficiency & retrofit) and Clean mobility (bicycles and e-bicycles) in the Nordics	61.5 MM EUR	18.8 MM EUR
Green bonds (Issuance size – € equivalent)	Volume of funding raised through Green Bond program; proceeds are used to fund new passenger EVs	0 MM EUR	248 MM EUR

Table 3. Sustainable financing in the Nordics

Auto

As the Nordic region's largest auto finance provider, the Group plays an important role in driving the transition to vehicle electrification. In 2022, 48% of all new vehicles financed (by number of contracts) were Battery Electric Vehicles (BEVs) and approximately 29% Plug-In Hybrids (PHEVs). Notably, BEV financing saw an impressive 26.8% growth compared to the previous year and the Group's market share of new BEVs registered in the Nordics was 13.9%, from 14.8% in 2021.

The Nordics has been a frontrunner in BEV adoption, thanks to robust political support and favourable consumer subsidies, which in turn has attracted BEV manufacturers to focus on the region. Leveraging the Group's market leading position in auto finance has established a prominent presence in the BEV financing market. BEV financing growth and market share in 2022 has been driven by the influx of new brands and high registrations in December 2022, due to tax changes coming into effect in January 2023 in Norway and Sweden. Collaborative efforts with BEV manufacturers and dealerships have further enabled the achievement of higher finance penetration rates for BEVs compared to other vehicle types.

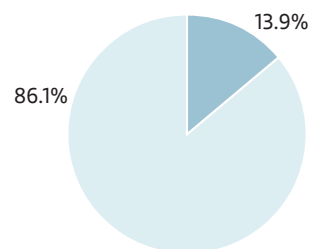


Figure 5. The Group's BEV market share 2022

	2022	2021	Difference (%)
Nordics TOTAL			
New Business Volumes (NBV) (€ equivalent)	1482 MM EUR	1 084 MM EUR	36.6
New BEV registrations	277 614	204 449	35.79
Financed by SCB	38 471	30 349	26.76
SCB market share	13.86 %	14.84%	-0.99
Norway TOTAL			
New BEV registrations	138 870	113 715	22.12
Financed by SCB	15 182	16 852	-9.91
SCB market share	10.93%	14.82%	-3.89
Sweden TOTAL			
New BEV registrations	95 063	57 469	65.42
Financed by SCB	19 617	11 374	72.47
SCB market share	20.64%	19.79%	0.84
Denmark TOTAL			
New BEV registrations	29 151	23 175	25.79
Financed by SCB	1 493	1 110	34.50
SCB market share	5.12%	4.79%	0.33
Finland TOTAL			
New BEV registrations	14 530	10 090	44.00
Financed by SCB	2 179	1 013	115.10
SCB market share	15.00%	10.04%	4.96

Table 4. Development of the Group's BEV financing in 2022 versus 2021



Consumer

Within the consumer finance market, focus has been on Real Estate (including solar panels, green heating systems and other energy efficiency and retrofit improvements) and Clean Mobility (bicycles and e-bikes) sectors. The Group serves these markets through its Checkout lending product. The Group's development within financing of Real Estate and Clean Mobility in 2022 versus 2021 is illustrated in the table below:

	Norway 2022	Sweden 2022	Denmark 2022	Finland 2022	Total 2022	Total 2021
Real Estate (New Business volumes - € equivalent)	0	0	4.2 MM EUR	52.3 MM EUR	56.5 MM EUR	17.2 MM EUR
Real Estate (# Financed Contracts)	0	0	322	5 499	5 821	1 591
Clean Mobility (New Business volumes - € equivalent)	0.3 MM EUR	0.9 MM EUR	3.5 MM EUR	0.2 MM EUR	5 MM EUR	1.6 MM EUR
Clean Mobility (# Financed Contracts)	337	425	1 226	79	2 067	1 003

Table 5. Development of the Group's consumer financing 2022 versus 2021

Green Bonds

Banco Santander's Green, Social and Sustainability Funding Global Framework published in June 2022 guides green bond issuances. In the Nordics, green bonds are issued to fund financing of new and existing passenger BEVs. However, fixed income markets – including green bonds – suffered in 2022 as a result of increased inflation, central bank rate increases, and the war in Ukraine. The Group issued no new green bonds in 2022. As per year-end 2022, the Group had outstanding green bonds of 1 000 MM NOK and 2 500 MM SEK.

New Brand Platform

The new brand platform "When it feels right" was launched in April 2022, with the objective to connect prosperity with responsibility. The ambition is to empower and enable responsible consumer choices through customer centric finance solutions, knowledge sharing, and education. The platform relies on value-added information, motivating and guiding consumers to act responsibly and feel right about the way they finance their consumption.

Deposits

During Q4 2022, a new sustainable initiative linked to deposits activities was launched in Denmark, in collaboration with the Norwegian company CHOOOSE. For every new deposit customer, a tree has been planted in the Rondônia province in Brazil, with the purpose of capturing CO2 in the atmosphere, increasing biodiversity and battling deforestation.

Eco Card

The Group launched its first "Eco" card in Norway in 2022, to be subsequently rolled out in other markets. TietoEVRY's bio-based VISA card was selected as the Group's Eco card solution, with the composition of cards being approximately 84% plant-based materials.

Way forward

The Group has a strategic commitment to support decarbonisation by financing the transition to vehicle electrification. Expectation is that the popularity of BEVs will continue to grow in the Nordics due to increasing climate awareness and implementation of regulations restricting internal combustion engine vehicles in Norway by 2025, Sweden 2030, Finland 2035, and Denmark 2035. The Group aims to strengthen collaborations with OEMs and dealerships, facilitating customers' transition to a low-carbon economy.

In unsecured consumer lending, the Real Estate and Clean Mobility segments represent attractive and growing markets. The Group intends to continue developing propositions in these areas to further promote responsible consumption and meet consumer demand for more sustainable products and technologies. Additionally, progression of sustainable initiatives in Deposits and Eco Cards are underway.

84 %

Eco cards are mainly composed of plant-based materials.

Minimising our carbon footprint

GRI 3-3, 305-1, 305-2, 305-3

What this means to the Group

The Group is dedicated to reducing its carbon footprint and environmental impact, in line with Banco Santander's net-zero ambition and the Paris Agreement's objectives. The sustainable value chain approach promotes responsible practices within the Group's operations, guided by the General Sustainability policy.

The Group's carbon footprint is assessed using the Greenhouse Gas Protocol's standardised reporting forms for GHG emissions³, which include:

Scope 1 Emissions from directly owned or controlled sources, such as company vehicles.

Scope 2 Indirect emissions from purchased energy.

Scope 3 Emissions generated upstream and downstream in the value chain, covering business travel and staff commuting.

Key activities and measures

Based on the Group's current emissions coverage, estimated emissions for 2022 are outlined below:

Scope 1		Scope 2		Scope 3	
		Indirect emissions ⁴ from electricity consumed in Group premises		Business travel from flights and staff commuting ⁵	
2022	2021	2022	2021	2022	2021
Under review		0 tCO ₂ e	0 tCO ₂ e	707.1 tCO ₂ e	47.4 tCO ₂ e
		Market-Based on 100% of electricity consumed from renewable sources	Market-Based on 100% of electricity consumed from renewable sources	Business travel from flights 80,2 tCO ₂ e Staff commuting 627 tCO ₂ e	(Staff commuting only)
		35.7 tCO ₂ e Location-Based	31.9 tCO ₂ e Location-Based		

Table 6. The Group's estimated emissions in 2022

³ See Banco Santander's internal reporting criteria for emissions calculations are included in Climate Finance Report 2022 - June 2023

⁴ Electricity emissions factors obtained from the IEA (International Energy Agency)

⁵ Emissions factors corresponding to fuels and air travel obtained from the UK's DEFRA (Department for Environment, Food and Rural Affairs)





Work to enhance the capture and reporting of Scope 1-related emissions is ongoing. The primary focus lies in addressing emissions related to company vehicles. The Group's Nordic Company Car policy mandates that all new company vehicle renewals must be Battery Electric Vehicles (BEVs) with zero emissions, except in cases where the country's infrastructure does not support BEV usage.

Scope 2 emissions are based on the electricity consumed on the Group's premises. In 2022, the combined electricity usage was 2 272 201 kWh, showing a 4% increase from base year 2021 (2 180 416 kWh), the first year that the Group began recording and calculating emissions data. As a result, location-based emissions increased to 35.7 tCO₂e (2021: 31.9 tCO₂e) mainly attributed to an increase in staff returning to the office after the COVID-19 pandemic. During 2022, 100% of the electricity used on the Group's premises came from renewable sources, resulting in zero tonnes of CO₂ equivalent (tCO₂e) market-based emissions.

During 2022, the Group migrated to a central business travel portal, enabling quantification and calculations of scope 3 GHG emissions related to flights used for business travel. Furthermore, to improve understanding of staff commuting-related emissions, an employee survey was conducted in Q1 2023. This survey enabled the extrapolation and estimation of GHG emissions resulting from employees commuting to their workplaces during 2022. As travel activity increased due to the easing of COVID-19 restrictions, this data provides valuable insights into staff commuting-related emissions and builds on an initial assessment in base year 2021, the first year the Group began recording and calculating emissions data.

In February 2022, Banco Santander introduced its Sustainable Finance Classification System (SFCS), which incorporates international industry guidelines, standards, and principles such as the EU Taxonomy, ICMA, LMA Principles, UNEP FI framework, and Climate Bond Standards. Adopting the SFCS across the Santander Group ensures a unified and standardised approach to ESG and sustainable finance, facilitating activity monitoring, product development, and safeguards against the risk of greenwashing.

Way forward

The Group continuously seeks to improve capture, quality and provision of emissions data across the organisation and value chain, in support of Banco Santander's net-zero by 2050 commitment. The greater part of emissions not yet measured primarily relate to the supply of financial products to consumers (Scope 3) particularly within the auto financing business, which constitutes a significant portion of the Group's lending portfolio. As part of Banco Santander's commitment to the Net Zero Banking Alliance (NZBA), the Group is in the process of evaluating the financed emissions of its Auto finance portfolio to develop decarbonisation goals and set a pathway to net-zero.

Starting from the financial year 2023, the Group will report the Green Asset Ratio in compliance with the EU Taxonomy requirements. Furthermore, under the European Banking Association's Pillar III ESG-disclosure requirements, semi-annual reporting on ESG-related financing activities has been ongoing since 2023, which further strengthens reporting of emissions data across the portfolio.

100 %

During 2022, 100% of the electricity used on the Group's premises came from renewable sources.

Net Zero

We are a part of Banco Santander's commitment to the Net Zero Banking Alliance (NZBA).



Ensuring human rights and good working conditions in our value chain

GRI 3-3, 407-1, 408-1, 409-1, 414-1, 414-2

What this means to the Group

The Group cares about upholding human rights and fair working conditions throughout its value chain. Employees are a priority, responsible and sustainable procurement practices are promoted, and work is conducted in collaboration with partners and vendors to ensure that they share the Group's commitment to fundamental human rights.

Key activities and measures

In Norway, the Transparency Act (Norwegian: Åpenhetsloven) took effect on July 1, 2022. This law reflects the increasing demand for corporate responsibility across organisation's value chains. Similar initiatives are also being developed in the EU, such as the Corporate Sustainability Due Diligence Directive (CSDDD). Under the Transparency Act, companies are encouraged to follow the OECD's guidelines for multinational companies for conducting proper due diligence throughout their value chains.

The Group is proud to have published its inaugural statement under the Transparency Act on June 26, 2023. No specific incidents or actual negative impacts on human rights and working conditions were identified as part of its initial due diligence on four identified duties of care (see table 7 for more details), although this is a continuous process that will continue to be monitored and assessed.

Following publication, the Transparency Act statement and related information were also communicated to all employees on the intranet site.



[Read the report here.](#)

Working conditions and employment processes	Supply chain vendors	Distribution of products and services through business partners	Provision of credit to consumers
<ul style="list-style-type: none"> No specific incidents, actual negative impacts or significant risks identified during the reporting period. Not considered to exist any material risks to human rights and good working as regards to the organisation's employees. 	<ul style="list-style-type: none"> No specific incidents or actual negative impacts on human rights and working conditions identified. No higher risk vendors identified. 	<ul style="list-style-type: none"> No specific incidents or actual negative impacts on human rights and working conditions identified. The Group is actively monitoring partners identified as potentially higher risk during initial screenings, but as of this report's publication, no significant risks to human rights and working conditions within the partner supply chain have been identified. 	<ul style="list-style-type: none"> Not considered to exist any material risks to human rights and working conditions as regards to the provision of credit to consumers.

Table 7. Main results from due diligence 2022-2023

Policies

The Group enforces several policies and procedures to ensure best practices and minimum standards for its operations, employees, partners, and vendors throughout its value chain. These include policies for Human Rights, Code of Conduct (CoC), Culture, and Flexi Working. Furthermore, Banco Santander's Outsourcing and Third-Party Agreements Corporate Framework guides the Group's collaboration with third parties and suppliers. For an extended overview of policies and procedures, refer to Annex IV.

The Santander Way

The Group aims to develop talented and motivated employees and to be an employer of choice. In 2022, new corporate behaviours – "TEAMS" were launched to further support these ambitions.



Cultivating a workplace where people can be themselves and which reflects our diverse society is a continuous process. The Group prioritises non-discrimination, inclusion, and equality throughout its workforce. In 2022, women held 30% of senior leadership and 39% of mid-managerial positions, representing 45% of the total workforce of the Group.

The Gender Pay Gap was 16.6% in 2022 (2021: 15.5%) calculated on the total earnings of all male and female employees and therefore affected by workforce composition. The Equal Pay Gap (EPG) indicating fair wages for men and women in the same roles was -4.7% (2021: 11.8%). The Group targets equality in employee compensation within each of its local markets going forward. For more details see [the Group's Annual Report 2022](#) - Responsible Banking chapter.

The "Your Voice" quarterly internal survey showed improved employee engagement in 2022, with a score of 7.1, up from 6.5 in 2021 (on a scale of 1-10 where 10 is best).

Way forward

The Group is dedicated to complying with legislation and adapting to emerging market practices to safeguard fundamental human rights and decent working conditions. With the implementation of the Transparency Act in Norway, establishment of necessary processes to evaluate and address potential risks related to human rights and working conditions has been a priority. As part of due diligence process, key areas for improvement were identified and remain ongoing priorities. These include developing processes in line with market practices, improving data quality, and updating documentation relating to our business partners.



Equality

The Group targets equality in employee compensation within each of its local markets going forward.

Acting as a responsible lender

GRI 3-3, 404-1, 404-2, 404-3

What this means to the Group

As a responsible lender, the Group offers simple, personal, and fair products and services, prioritising customer satisfaction and ethical consumer protection.

Embracing responsible banking principles, customers' needs and wider societal interests are taken into consideration to mitigate over-indebtedness and product misrepresentation. The Group practices prudent and responsible credit provision, providing fair banking solutions in accordance with the UN Principles of Responsible Banking. Furthermore, a culture of responsible banking and supporting employees' growth through ESG-related training and awareness is nurtured.

Key activities and measures

The table below outlines of the key performance indicators (KPIs) employed to monitor responsible lending performance, including the 2022 results compared with 2021 performance.

Non-performing loans (NPL) ratio	Number of complaints	Net promoter score (NPS)
The NPL ratio for 2022 improved to 2.62% from 3.08% in 2021, indicating robust underwriting processes and a focus on customer affordability.	Complaint levels are closely monitored based on number of complaints per 10 000 customers and adjusted by the Uphold Ratio (% of complaints resolved in the customer's favour). In 2022, the average number of complaints per 10 000 interactions – adjusted for the Uphold Ratio – was 2.25 (2021: 2.22) which is below the internal Alert threshold of 3 complaints per 10 000 customers, indicating effective levels of customer service.	NPS is used to identify the likelihood of customers recommending the Group. In 2022, the Group significantly improved NPS tracking, with over 52,000 customer responses and 38,000 comments received. The overall NPS score was 26.3 , and country-specific scores were Norway: 21.4, Sweden: 8.1, Denmark: 46.7, and Finland: 52.9.

Table 8. Overview of key KPIs and results within responsible lending

Mandatory training

Training is a priority to raise awareness, reinforce internal control, and ensure responsible behaviour amongst employees. The Group's digital learning platform, DOJO, supports individual and collective competence development. In 2022, employees underwent various mandatory training courses, covering topics within sustainability, business continuity management, regulatory compliance, AML, risk, antitrust, cyber security, PSD, diversity & inclusion and more.

Additionally, Grow@Santander, a combination of activities and initiatives that focus on developing mindsets, work practices, leadership skills, and fostering a culture of continuous learning within the organisation, was introduced in 2022. Throughout the year, all employees received regular performance and career reviews.

The Group's Consumer Protection policy guides its responsible lending practices. It is built on the value of treating customers fairly and encompasses the responsible lending principles of transparency, accurate and sufficient information, and responsible pricing.

Additionally, the Banco Santander Responsible Banking Framework sets common principles, roles, and governance to integrate ESG criteria for a sustainable business model, demonstrating an ongoing commitment to responsible banking.

Simple | Personal | Fair

Way forward

As a responsible lender, the Group is dedicated to support customers during challenging and uncertain times – helping people and businesses prosper in a responsible way. The values *simple, personal and fair* guide the approach to the Group's product offering, focusing on simplification, accessibility and customer understanding. Development of customer experience monitoring and feedback also enables high-quality service and ongoing customer satisfaction.

Mandatory individual career development plans were introduced for employees to address future competence requirements. Additionally, responsible banking and ESG principles are integrated into credit and underwriting processes to ensure customer affordability. The Group is committed to adapting its business model and ensuring strong governance to comply with consumer protection regulations.

Protecting the organisation's and customers' data

GRI 3-3, 418-1

What this means to the Group

In today's digital environment, it is critical to safeguard customers' personal data by securing systems and managing risks related to cyber security, privacy, and data protection. The Group is fully committed to following personal data protection regulations and using customer data only for necessary and informed purposes throughout its entire life cycle, as required by law.

Key activities and measures

Privacy and data protection

The Group's Data Protection & Privacy policy outlines functional responsibilities, key processes, and governance pertaining to the confidential handling of personal data. Adhering to the principles of lawfulness, transparency, and legitimacy, ensuring that individuals have control over their personal data, its use, and destination is top priority at Santander. This robust governance model is further strengthened by a dedicated Data Protection Officer to oversee policy implementation.

Additionally, all reasonable measures to promptly erase or rectify irrelevant, inaccurate, or incomplete data are applied, and personal data is retained only for the period strictly necessary for its legitimate use.

Data cleaning week

Data Cleaning Week is an internal initiative designed to raise employee awareness, educate and establish routines around the use of the Group's data. During Data cleaning week 2022, employees deleted over 1 TB of data from servers and mailboxes. This thorough examination of data not only ensures compliance with requirements in the General Data Protection Regulation (GDPR) but also contributes to a reduction in energy consumption and its corresponding carbon footprint.

Cyber security

The Group places significant emphasis on operational risks related to cybersecurity, as outlined in the Cyber Security Corporate Framework. Furthermore, the Group implements knowledge sharing and collaboration with public and private sector organisation to actively combat cybercrime and assist customers and society in staying secure in the digital environment.

Awareness campaigns and mandatory training

Cyber security issues are communicated to employees to raise awareness around cyber threats and emerging hacking techniques and internal phishing exercises via email helps build resilience to threats and encourages employees to actively report any potential incidents or suspicious messages through appropriate channels.

Furthermore, the Group ensures that its employees undergo various mandatory interactive training programs aimed at developing their cyber security competencies. By engaging in these training sessions, employees can strengthen their understanding and proficiency in cyber security, fostering a more secure and vigilant work environment.

Throughout the year 2022, the Group's Cyber Security team identified **no data leaks, thefts, or losses**, affirming the Group's dedication and efforts to safeguard sensitive information.



Way forward

Ensuring data privacy and -protection continues to be an important priority for European and Nordic regulators. The Group places considerable importance on protecting customers through employing high standards and robust governance processes, whilst also preparing for future legislation such as the EU's Digital Operational Resilience Act (DORA), to be implemented by January 2025.

Digital transformation continues to revolutionise the banking landscape, creating promising new business opportunities, but also increased risks related to technology and cyber security. This is why the Group is firmly committed to maintaining a strong control environment that not only strengthens operational resilience but also meets all regulatory requirements. The goal is to safeguard the Group's reputation and credibility, and most importantly, to earn the loyalty and protect our customers, shareholders, and communities.

Preventing corruption, money laundering and terror financing

GRI 3-3, 205-1, 205-2, 205-3

What this means to the Group

The Group works actively and continuously to ensure compliance with all applicable financial crime regulations and mitigating actions, and to prevent any illegal activity relating to corruption, money laundering and terror financing arising from the use of its products or services.

Key activities and measures

Throughout 2022, the Group demonstrated a strong commitment to enhancing its internal control framework. The “Financial Crime Prevention Unit” was transformed into the “**Anti-Money Laundering Office**” and the Group realigned activities under Operations for improved risk ownership. In addition, the Compliance and Conduct function introduced an **AML taxonomy**, enabling a comprehensive approach to managing financial crime regulations. Moreover, the existing **AML Control Framework** was reconstructed to better address this critical area.

Through such proactive measures, the aim is to bolster financial crime prevention capabilities, nurture a robust control environment, and uphold the highest standards of regulatory compliance. These efforts underpin the dedication to safeguarding the interests of stakeholders and maintaining the trust of customers and communities.

The general **Code of Conduct (CoC)** is applicable to all employees and Board members and sets out the ethics, principles and rules of conduct by which all the Group’s activities should be governed. The CoC comprises the central component of the Group’s Compliance Program. The CoC and associated Conflicts of Interest and Gifts and Invitations policies are available to all employees via the Group’s Internal Governance portal.

A digital and secure **Whistleblowing channel** exists for the reporting of improper conduct that is suspected to be illegal, or which violates the Group’s Code of Conduct (CoC) or other internal policies. Employees can also report concerns anonymously to the Compliance and Conduct function. Employees who report such concerns in good faith are protected from retaliation.

All employees must complete mandatory compliance training to meet internal requirements and demonstrate an understanding of ethical principles. The training covers Code of Conduct (CoC), Product Governance, Consumer Protection, Data Privacy, and Anti-Money Laundering (AML). New joiners complete the training during onboarding and are then required to refresh every two years. At the end of December 2022, 97% of employees had completed the training.



The Group’s risk culture, “**Risk Pro**”, is a core element of its corporate culture and purpose. Risk Pro emphasises that risk management is everyone’s responsibility, covering finance, operations, conduct, compliance, cyber security, reputation, fraud, financial crime, and climate. Each employee is accountable for recognising, controlling, managing, and reporting risks. Risk objectives are integrated into the performance review process to anchor Risk Pro throughout the organisation. More information is available in the Group’s Annual Report 2022 – Risk Management and Compliance chapter.

Following a routine inspection carried out in September 2021, Santander Consumer Bank NO received an administrative fine of 150 MM NOK from the Financial Supervisory Authority of Norway (NFSA). The fine was a result of deficiencies in the Group’s routines and systems for risk assessment, reporting and follow-up, and control of the customer portfolio. There was no suspicion of money laundering in any specific case – and no customers or partners were affected by the identified shortcomings. Compliance with AML regulations and addressing deficiencies highlighted in corrective orders from the NFSA has been top priority for the Group. On February 1st, 2023, the Board of Directors submitted a response to the NFSA, outlining the progress made in all areas.

Way forward

Preventing financial crime and ensuring compliance with related regulations remains a top priority for the Group. Continuous improvement remains essential to ensure adherence to relevant regulations, implementing mitigating actions, and preventing illegal activities. To achieve this, the Compliance & Conduct function has bolstered and refined the Compliance and Conduct program by structuring teams based on four compliance risk areas. This specialisation will allow compliance subject matter experts in each function to focus on their respective markets.

Furthermore, approval and implementation of a local version of Banco Santander’s Anti-Bribery and Corruption policy is anticipated during the second half of 2023.

Non-material topics

Three additional topics were deemed relevant, but not material to the Group's ESG and sustainability activities:

Enabling financial inclusion and financial health

In line with Banco Santander's public commitments, the Group aims to foster financial empowerment, extend access to personalised financial products and services, and enhance overall resilience and financial well-being through educational initiatives.

Financial education is a strategic part of the Group's responsible banking agenda and one of the key principles of our Nordic Consumer Protection policy. Through educational channels, the Group aims to make economic concepts easier to understand and provide the tools, skills and knowledge to support consumers to make informed financial decisions and safeguard against over-indebtedness.

To support financial health, the Elä kohtuudella (Live in moderation) calculator is active on the Group's Finnish website and helps provide an indicative estimate for customers of their financial situation and capacity. Additionally, the Group has launched educational articles relating to personal finance and sustainability on their websites across the Nordics.

Supporting communities

The Group seeks to support the communities it operates in and help them grow in a positive and sustainable way. Community investment is approached in accordance with the UN Sustainable Development Goals on promoting decent work and economic growth, fostering quality education and contributing to improving the health and wellbeing of the communities served.

Support to the people of Ukraine – Following the commencement of the war in Ukraine in February 2022, the Santander Group supported the response to the ongoing humanitarian crisis, as well as ensuring compliance with the imposed sanctions against Russia. Top priority has been the safety and security of those associated with the Group located in Ukraine, including employees of our suppliers. In addition to the groupwide support, the Group donated 250 000 NOK of humanitarian aid through the Norwegian Red Cross.

Helsinki Ski Weeks – Between January and February 2022, the Group acted as the official climate partner to Helsinki Ski Weeks to promote consciousness around sustainability. Held in Helsinki Olympic Stadium, an estimated 200 000 participants had the opportunity to cross-country ski for free and culminated with sprint competitions between world class skiers.



Oslo Business Forum – The Group renewed its cooperation for the business leader conference in 2022. The 2022 conference's main focus was on "Future-Focused Leadership" with speakers including Steve Wozniak (co-founder of Apple) and Carla Harris (former managing director at Morgan Stanley).

Education through sports – The Group was a proud sponsor of the handball cup Santander Final4 in Denmark, as well as "En Svensk Klassiker", a multi-discipline sporting competition. Furthermore, a number of employees took part in the Cycling4Cancer event in Denmark, with 200 000 DKK collected and donated to the Danish Cancer Society.

Promoting diversity, equality and inclusion

The Group continuously strives to better reflect the communities it serves, help empathise with its customers and improve employees' wellbeing and sense of belonging. Important KPIs to track progress include women in senior positions, Equal Pay Gap, Gender Pay Gap and "Your Voice" employee engagement survey scores, all disclosed in chapter 3. ("Material Topic: Ensuring human rights and good working conditions in our value chain").

The Group's Culture policy establishes the guidelines and standards to embed a healthy and inclusive culture throughout the organisation, including setting and promoting the principles of diversity, equity and inclusion. Additionally, flexible working is encouraged, with practices and standards outlined in the Flexi Working policy.

Annexes

- I. Our progress in numbers
- II. Global Reporting Initiative (GRI) content index
- III. Task Force on Climate-related Financial Disclosure (TCFD)
- IV. Overview of the Group's policies linked to Material Topics
- V. How the Group works with Sustainable Development Goals (SDGs)

I. Our progress in numbers

KPI	Description	Current Period	Prior period	
		2022-12-31	2021-12-31	
		(In [unit of measurement])	[Unit]	
Green bonds (Issuance size - € equivalent)	Volume of funding raised through established Green Bond program	0	248	MM EUR
EV market share	Number of new passenger EVs financed by the Group as a percentage of overall Nordic market	13,9%	14,8%	Group BEV market share (%)
Secured - "Green mobility" (Auto finance)	Total BEV financing by New Business Volumes - € equivalent (included as part of BEV financing table 2022 vs 2021) for Nordics (Total)	1 482	1 084	MM EUR
Auto finance - EV financing 2022 / 2021	Table of BEV financing in 2022 versus 2021 including total new BEV registrations, Financed by Group, Group market share and by country	277 614	204 449	Number of new BEV registrations (Market)
	(Norway, Sweden, Denmark and Finland)	38 471	30 349	Number of new BEV registrations (Group)
Consumer - home energy solutions	New Business Volumes - € equivalent in Norway, Sweden, Denmark and Finland	56,5	17,2	MM EUR
Consumer - bicycles and e-bicycles	New Business Volumes - € equivalent in Norway, Sweden, Denmark and Finland	5,0	1,6	MM EUR
Consumer - home energy solutions and bicycles and e-bicycles 2022 versus 2021	Total number of contracts and by country	5 821	1 591	Real Estate financed contracts
	(Norway, Sweden, Denmark and Finland)	2 067	1 003	Clean Mobility financed contracts
Scope 2 emissions	Emissions from consumed electricity (offices) according to GHG protocol (market based)	0	0	tCO2e
	Emissions from consumed electricity (offices) according to GHG protocol (location based)	35,7	31,9	tCO2e
	Consumed electricity (offices) usage (kWh)	2 272 201	2 180 416	kWh
Scope 2 emissions - electricity from renewable sources	Electricity (offices) consumed from renewable sources.	100%	100%	Renewable sources (%)
Scope 3 emissions	tCO2e emissions from employees commuting to place of work from home.	627,0	47,4	tCO2e
Scope 3 emissions	tCO2e emissions from flight business travel according to GHG protocol.	80,2	New KPI	tCO2e
Incidents of negative human rights or decent working conditions impacts in the value chain	Number of incidents (including whistleblowing, serious workplace incidents, customer complaints or incidents raised by business partners or supply chain vendors) of actual or potential negative impacts identified in the value chain.	0	New KPI	Number

Total number of partners and vendors considered potentially higher risk	Total number of potentially higher risk partners and vendors for follow-up assessment after application of geography and industry risk lenses in due diligence process.	95	New KPI	Number
Women in senior positions	Women in the top three most senior categories in the Bank.	30%	33%	%
Gender Pay Gap	Calculated as the difference between the amounts paid to a man and a woman and not attributable to any admitted compensable factor divided by the amounts.	16,6%	15,5%	Gender Pay Gap (%)
Equal Pay Gap	Comparison of wages between women/men performing same job, on the same level, and on the same function.	-4,7%	11,8%	Equal Pay Gap (%)
Employee engagement	"Your voice" survey scores conducted internally on a quarterly basis (on a scale of 1-10 where 10 is best).	7,1	6,5	Score
Non-Performing Loans (NPLs)	% of Group's total loans considered non-performing.	2,62%	3,08%	%
Net Promoter Score (NPS)	NPS – Overall and by country (Norway, Sweden, Denmark and Finland).	26,3	New KPI	Overall score
Formal complaints	Average (average of months) number of complaints per 10 000 customers, adjusted for the Uphold Ratio.	2,25	2,22	Number
Data loss	No identified leaks, thefts or losses of data.	0	New KPI	Number of data losses
Anti-corruption training	Total percentage of employees completing mandatory compliance training on anti-corruption, including required learning modules and knowledge tests (approx. 1 hour completion time).	97%	New KPI	%
Anti-corruption knowledge	Percentage of employees that the organisation's anti-corruption policies and procedures have been communicated to.	100%	New KPI	%

II. Global Reporting Initiative (GRI) content index

Statement of use	Santander Consumer Bank AS has reported in accordance with the GRI Standards for the period between 01 January 2022 and 31 December 2022
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	N/A - Reporting in accordance with Universal Standards 2021

GRI Standards: General Disclosures

GRI Standard	Disclosure	Page / Details	Omission
GRI 2: GENERAL DISCLOSURES			
THE ORGANISATION AND ITS REPORTING PRACTICES		SR22 ⁶⁾ p. 2: About this report	
	2-1 Organizational details	Santander Consumer Bank AS (organisation number: 983521592) is a Norwegian commercial bank that holds a banking license granted and regulated by the Financial Supervisory Authority of Norway, and also operates in Sweden and Denmark, with a wholly owned subsidiary in Finland, collectively referred to as "the Group." The Group's principal offices are located at Strandveien 18, Lysaker, Norway. The Group is a wholly owned subsidiary of of Santander Consumer Finance S.A., which is part of Grupo Santander	-
		SR22 p. 2: About this report	
	2-2 Entities included in the organization's sustainability reporting	Santander Consumer Bank AS, its branches in Sweden and Denmark and the wholly owned subsidiary Santander Consumer Finance OY in Finland all consolidated in the same manner	-
		SR22 p. 2: About this report	
		SR22: Contact	
		AR22 p. 58: Accounting Principles (1. - 2.3.)	
	2-3 Reporting period, frequency and contact point	Reporting period 01 January - 31 December 2022	
2-4 Restatements of information	AR22 p. 58: Accounting Principles (1. - 2.3.)	-	
2-5 External assurance	SR22 Annex: Independent verification report	-	

⁶⁾ "AR22" - Santander Consumer Bank AS Annual Report 2022, "SR22" - Santander Consumer Bank AS Sustainability Report 2022, "TAS" - Santander Consumer Bank Transparency Act Statement 2023

GRI Standard	Disclosure	Page / Details	Omission
		SR22 p. 8-9: Nordic approach to Responsible Banking	
		AR22 p. 12-17: Loans and deposits performance	
	2-6 Activities, value chain and other business relationships	TAS p. 13-14: Due diligence to identify actual and potential negative impacts	-
		AR22 p.40: People and Culture	
		AR22 p.145: Permanent employees as of 31.12.2022	
ACTIVITIES AND WORKERS		SR22: p. 16-17: Ensuring human rights and good working conditions in our value chain	
		Temporary Employees by Head Count as of 31.12.2022: Male: 39 (of which part-time 8) Female: 66 (of which part-time 4)	-
	2-7 Employees		
	2-8 Workers who are not employees	The Group does not currently have a register of non-employees. In the medium and long term the Group may evaluate the possibility of reporting this indicator.	Omission
	2-9 Governance structure and composition	AR22 p. 28-29: Corporate Governance	-
		The Group has a succession plan for directors that is build the external board assessment. Stated in the Group's Rules of Procedure for the Board of Directors of Santander Consumer Bank AS, the Owners elect the members of the board of directors in the organisation's General Meeting. The General Meeting is conducted in accordance with Aksjeloven. The number of members of the board is regulated through the organisation's Articles of Association. Employee representatives are elected among the organisation's employees and the roles and mandates are described in the Group's Special Negation Body agreement.	
GOVERNANCE	2-10 Nomination and selection of the highest governance body	The Group's aim is to have at least 40% women as Board of Directors. Future legislations in Norway would require the Group to have at least 40% women of the board. At the end of 2022, the Group's Board comprised 43% women when employee representatives are included with no decisions mandate. Without employee representatives the Board of Directors has 20% women. The Board has 2 external independent members and 1 vacant post, with the aim for a total of 3 external independent members. The chair of the Board is 1 of the external independent members. The Board has 3 Non-executive internal members employed by Santander Consumer Finance S.A. Each Board member is assessed with a suitability assessment prior to the nomination and election to ensure they are suitably qualified. The Board is also assessed on yearly basis in a board assessment. Every 2nd year the Board assessment is completed with an external partner that assesses the Board's work and competencies. Every alternative year this work is completed internally.	-

GRI Standard	Disclosure	Page / Details	Omission
2-11 Chair of the highest governance body		The Board of Directors does not include executive personnel.	-
		AR22 p. 29 & 34: Corporate Governance & Governance, policies, and frameworks	
		TAS p. 6: How the Group ensures human rights and good working conditions	
2-12 Role of the highest governance body in overseeing the management of impacts		The object and activities of the Board focuses on the main areas, strategy, organization, monitoring and control, and Board specific tasks. The Board is overall responsible for the Bank's organisation and administration of its affairs, including the internal governance and control structure. The responsibility includes establishing an appropriate organisation with clear responsibilities and to decide on overall objectives, strategies and major changes for the organisation as well as policies and procedures. More details in Rules of Procedure for the Board of Directors of Santander Consumer Bank AS. Governance and Internal Control Policy.	
		(i) Board meetings and planned agenda and annual plan to cover the board's responsibilities	
		(ii) The board gives feedback to management and takes actions, both in requests to management but also uses their control tools with Internal Audit and Compliance to follow up matters that they need closer attention to.	
2-13 Delegation of responsibility for managing impacts		The board receives CEO update every month with latest updates. The board receives an Organisation report once a year that describes the Organisation with strengths and development potential, the board also receives an HR report twice a year. Out from this the board take actions if needed.	-
		TAS p. 6: How the Group ensures human rights and good working conditions	
		SR22 p. 8-9: Nordic approach to Responsible Banking	
2-13 Delegation of responsibility for managing impacts		The Group employs a three-line of defence model, whereby 1st line functions are responsible for identifying and managing risk, 2nd line functions promote adherence to rules and supervisory requirements while monitoring risk performance, and where Internal Audit serves as the 3rd line of defence to conduct independent reviews of compliance with internal and external regulations and guidelines. The Group CEO and Board of Directors hold ultimate responsibility for ensuring compliance with applicable legal and internal obligations.	
		In addition to the above outlined responsibilities, the Responsible Banking team, located within the Chief Operating Officer function, is responsible for coordinating the Group's development, approval, and publication of Transparency Act-related disclosures.	
		Sustainability Report is communicated once per year, Responsible Banking chapter in the Annual Report is communicated once per year	
2-13 Delegation of responsibility for managing impacts		Responsible Banking updates provided to the Board of Directors 3 times per year	-
		Management updates on a regular basis and at a minimum once per quarter.	
		Senior Management and CEO approve the Sustainability Report and Board of Directors to be informed.	

GRI Standard	Disclosure	Page / Details	Omission
	2-14 Role of the highest governance body in sustainability reporting	Sustainability reporting is based on the Group's Responsible Banking strategy and agenda approved by the Board and kept informed 3 times per year.	-
	2-15 Conflicts of interest	Board members are assessed through suitability assessments to ensure they are not part of any other organisations or roles that could cause conflict of interest. The Group has a special situation management policy stating when and how the board are informed and included in critical situations. CEO shares an update every month with the Board and Internal Audit and Compliance have direct access to the Board.	-
	2-16 Communication of critical concerns	The Group does not publicly disclose the nature and number of critical concerns.	Omission
	2-17 Collective knowledge of the highest governance body	Sustainability is an area previously assessed in Board assessments as a need to strengthen. The Board has 3 members both internal and external that is working in different roles on the scope of sustainability outside their work on the board of Santander Consumer Bank AS.	-
	2-18 Evaluation of the performance of the highest governance body	The Group carries out a Board assessment annually. Every second year an external partner performs an independent Board assessment. The assessment is part of the Group's succession plan for Board members and steers the work of the Board for the following year.	-
	2-19 Remuneration policies	AR22 p. 217: Note 30 - Remuneration Board remuneration is decided in the General Meeting by the Group's owner. The Board of Directors receive fixed pay and no sign-on bonuses, termination payments or clawbacks. The Group's Senior Management are remunerated according to the Group's Remuneration Policy AR22 p. 28 & 217: Corporate Governance & Note 30 - Remuneration	-
	2-20 Process to determine remuneration	The Group engages stakeholders through the Bank's internal remuneration committee. No external consultants are used in this process.	-
	2-21 Annual total compensation ratio	The Group does not publicly disclose further information other than included in its Annual Report 2022 Note 30 - Remuneration (p.142-145)	Omission
	2-22 Statement on sustainable development strategy	SR22 p. 4: CEO's foreword SR22 p. 40-41: Annex IV. Overview of the Group's policies linked to Material Topics AR22 p.34-35: Governance, policies, and frameworks	-

GRI Standard	Disclosure	Page / Details	Omission
STRATEGY, POLICIES AND PRACTICES		Corporate frameworks and corporate instructions and Models approved by SCB's Board of Directors Policies and Procedures approved by the Group's Board of Directors when required by law. In all other cases by the Risk Approval Committee. Pre-approval from other committees may be required as defined in the relevant committee charter. Charters are approved by committee giving the mandate for changes in L2 Committee, approved by CEO. Routine descriptions approved by the Document Owner. All policies of the Group are created to reflect the activities in the organisation and the requirements and activities that should be carried out by the organisation and across its business relationships. The Group's Human Rights policy is the first policy to be published externally by the Group. Other internal policies are not externally published. Human Rights Policy: https://www.santanderconsumer.no/globalassets/om-oss/om-santander/human-rights-policy-2023.pdf	
	2-23 Policy commitments	For employees, the Group's Code of Conduct policy is communicated to new joiners at the onboarding stage. All other Group policy documents are available to all employees via the Internal Governance Portal on the Group's Bank intranet site.	-
	2-24 Embedding policy commitments	Grupo Santander's Responsible Banking model includes all responsibilities outlined with relevant functions, as well as Grupo Santander's commitment to "embedding ESG in the organisation". The Responsible Banking model is not publicly disclosed.	-
		SR22 p. 6-9: Our approach to Responsible Banking SR22 p. 10: Materiality Assessment SR22 p. 20: Preventing corruption, money laundering and terror financing	
	2-25 Processes to remediate negative impacts	Grupo Santander's whistleblowing channel is publicly available on the Santander website: https://www.santander.com/en/stories/introducing-canal-abierto-our-right-to-be-heard	-
		AR22 p. 30: Compliance and Conduct	-
	2-26 Mechanisms for seeking advice and raising concerns	SR22 p. 20 Preventing corruption, money laundering and terror financing	
	2-27 Compliance with laws and regulations	SR22 p. 20: Preventing corruption, money laundering and terror financing AR22 p. 8, 25, 29, 33, 37	Omission
	2-28 Membership associations	Additionally, the Group participates in the Finansieringsselskapenes Forening association (FINFO) in Norway, a membership organisation for companies that carry out specialist and consumer financing.	-
	STAKEHOLDER ENGAGEMENT	2-29 Approach to stakeholder engagement	Internal communications to all employees via the Group's Bank News intranet site. External communications through various channels and websites in Norway, Sweden, Denmark and Finland including LinkedIn posts, Annual Report, Sustainability Report and media training and PR appearances for senior management.
2-30 Collective bargaining agreements		All employees are covered under locally defined collective agreements per country, with temporary employees defined by the Group as covered related to their working arrangements. The Group does not hold structured data on specific memberships and collective agreements.	

GRI Standard	Disclosure	Page / Details	Omission
GRI 3: MATERIAL TOPICS			
	3-1 Process to determine material topics	SR22 p. 10: Process to identify material topics	-
	3-2 List of material topics	SR22 p. 10: Process to identify material topics The previous materiality assessment conducted in 2021 identified eight material topics (Responsible lending, Digitization & customer experience, Decarbonize the portfolio, Green finance, Social responsibility, Financial inclusion, ESG products and services and Compliance) which were grouped into four themes (Green Finance, Financial Inclusion & Education, Responsible Lending and Customer Experience & Satisfaction). The drivers for the changes in the current reporting period, and the process for validation with stakeholders are described in SR22 p. 10: Process to identify material topics.	-
	3-3 Management of material topics	SR22 p. 11-20: Our Sustainable Priorities - Material topics The precautionary principle is considered in the management of each material topic.	-
MATERIAL TOPICS	3-3 Management of material topics - Promoting responsible consumption	SR22 p. 11-13 In addition to senior management, stakeholders in the Auto and Consumer sales functions are engaged in ESG forums to inform actions undertaken in relation to this material topic. These actions include developing appropriate KPIs and updated assessments of the effectiveness of these metrics.	-
	3-3 Management of material topics - Minimising our carbon footprint	SR22 p. 14-15 In addition to senior management, stakeholders in the Facilities and HR functions are engaged in ESG forums to inform actions undertaken in relation to this material topic. These actions include developing appropriate KPIs and updated assessments of the effectiveness of these metrics.	-
	3-3 Management of material topics - Ensuring human rights and good working conditions in our value chain	SR22 p. 16-17 In addition to senior management, stakeholders in the Sourcing, Commercial and HR functions are engaged in ESG forums to inform actions undertaken in relation to this material topic. These actions include developing appropriate KPIs and updated assessments of the effectiveness of these metrics.	-
	3-3 Management of material topics - Acting as a responsible lender	SR22 p. 18 In addition to senior management, stakeholders in the Marketing, Risk and Operations functions are engaged in ESG forums to inform actions undertaken in relation to this material topic. These actions include developing appropriate KPIs and updated assessments of the effectiveness of these metrics.	-
	3-3 Management of material topics - Protecting the organisation's and customers' data	SR22 p. 19 In addition to senior management, stakeholders in the Data Protection and Cyber Security functions are engaged in ESG forums to inform actions undertaken in relation to this material topic. These actions include developing appropriate KPIs and updated assessments of the effectiveness of these metrics.	-
	3-3 Management of material topics - Preventing corruption, money laundering and terror financing	SR22 p. 20 In addition to senior management, stakeholders in the Compliance, AML and HR functions are engaged in ESG forums to inform actions undertaken in relation to this material topic. These actions include developing appropriate KPIs and updated assessments of the effectiveness of these metrics.	-

GRI Standards: Topic-specific disclosures

GRI Standard	Disclosure	Page / Details	Omission
INDIRECT ECONOMIC IMPACTS			
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	SR22 p. 11-13: Promoting responsible consumption	-
ANTI-CORRUPTION			
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	AR22 p.20: Operational risk SR22 p. 20: Preventing corruption, money laundering and terror financing	-
	205-2 Communication and training about anti-corruption policies and procedures	SR22 p. 20: Preventing corruption, money laundering and terror financing	-
	205-3 Confirmed incidents of corruption and actions taken	SR22 p. 20: Preventing corruption, money laundering and terror financing	-
		The Group does not publicly disclose information on incidents of employee dismissal or disciplinary actions and the termination of business partnerships.	Omission
EMISSIONS			
GRI 305: Emissions 2016		SR22 p. 14-15: Minimising our carbon footprint	
	305-1 Direct (Scope 1) GHG emissions	The Group does not currently report Scope 1 data. The Group is currently reviewing its reporting and the possibility of including this indicator in future reporting.	Omission
	305-2 Energy indirect (Scope 2) GHG emissions	SR22 p. 14-15: Minimising our carbon footprint Grupo Santander Climate Finance Report 2022 - June 2023 p. 70	-
		SR22 14-15: Minimising our carbon footprint Grupo Santander Climate Finance Report 2022 - June 2023 p. 70	
	305-3 Other indirect (Scope 3) GHG emissions	The Group does not currently capture and report data on emissions related to its lending portfolio. The Group is working to capture emissions related to its passenger car portfolio (as part of NZBA) for future reporting. The Group does not include biogenic emissions.	Omission

GRI Standard	Disclosure	Page / Details	Omission
TRAINING & EDUCATION			
		AR22 p. 39: People and Culture	
		SR22 p. 18: Acting as a responsible lender: Mandatory training	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	During 2022, the Group migrated to a new digital learning platform. As a result, the average hours of employee training for 2022 are omitted from this index. Future reporting will benefit from additional data provided by the new learning platform.	Omission
		SR22 p. 18: Acting as a responsible lender: Grow@Santander initiative	
	404-2 Programs for upgrading employee skills and transition assistance programs	The Group does not currently offer transition assistance programs.	-
	404-3 Percentage of employees receiving regular performance and career development reviews	SR22 p. 18: Acting as a responsible lender	-
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	SR22 p. 16-17: Ensuring human rights and good working conditions in our value chain	
		TAS p. 3 - Key findings	-
CHILD LABOR			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	SR22 p. 16-17: Ensuring human rights and good working conditions in our value chain	
		TAS p. 3: Key findings	-
FORCED OR COMPULSORY LABOR			
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	SR22 p. 16-17: Ensuring human rights and good working conditions in our value chain	
		TAS p. 3: Key findings	
SUPPLIER SOCIAL ASSESSMENT			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	SR22 p. 16-17: Ensuring human rights and good working conditions in our value chain	
		TAS p. 13: Supply Chain vendors The Group has performed due diligence on all its active supply chain vendors as part of its obligations under the Transparency Act in Norway.	

GRI Standard	Disclosure	Page / Details	Omission
	414-2 Negative social impacts in the supply chain and actions taken	SR22 p. 16-17: Ensuring human rights and good working conditions in our value chain TAS p. 3: Key findings TAS p. 10: Working conditions and employment processes TAS p. 13: Supply Chain vendors TAS p. 14: Distribution of products and services through business partners TAS p. 15-16: Provision of credit to consumers	-
CUSTOMER PRIVACY			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	SR22 p. 19: Protecting the organisation's and customers' data No identified leaks, thefts or losses of data identified during 2022. The Group does not publicly disclose details or nature of customer complaints.	Omission

III. Task Force on Climate-related Financial Disclosure (TCFD)

TCFD Index

	TCDF recommendations	Reference
Governance	a Describe the board's oversight of climate-related risks and opportunities	SR22 ⁷⁾ : Annex II GRI content index 2-13 AR22: p. 29 & 34: "Corporate Governance" and "Governance, policies, and frameworks"
	b Describe management's role in assessing and managing climate-related risks and opportunities	SR22: GRI content index 2-14 AR22: p. 29 & 34: "Corporate Governance" and "Governance, policies, and frameworks"
Strategy	a Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term	SR22: Table below; 'Assessment of physical risks associated with climate change' and 'Assessment of opportunities related to climate change'
	b Describe the impact of climate-related risks and opportunities the organisation's business, strategy and financial planning	SR22: Table below; 'Assessment of physical risks associated with climate change' and 'Assessment of opportunities related to climate change'
	c Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2 degrees or lower scenario	SR22: p. 6-9: "2. Our Approach to Responsible Banking" SR22: Table below; 'Assessment of physical risks associated with climate change' and 'Assessment of opportunities related to climate change'
Risk Management	a Describe the organisation's processes for identifying and assessing climate-related risks	AR22: p.20: Risk management and compliance – Climate & Environmental risk
	b Describe the organisation's process for managing climate-related risks	AR22: p.20 Risk management and compliance – Climate & Environmental risk
	c Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	AR22: p.20 Risk management and compliance – Climate & Environmental risk
Metrics and targets	a Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	SR22: p. 6-9: "2. Our Approach to Responsible Banking"
	b Disclose Scope 1, Scope 2, and of appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	SR22: p. 14-15: "Minimising our carbon footprint"
	c Describe the targets used by the organisation to manage climate-related risks and opportunities performance against targets	SR22: p. 6-7: "2. Our Approach to Responsible Banking" SR22: p. 8-9 "2. Nordic approach to Responsible Banking"

⁷⁾ "AR22" - Santander Consumer Bank AS Annual Report 2022, "SR22" - Santander Consumer Bank AS Sustainability Report 2022

Climate Risk assessment

Banking risk types	Impact from Physical Risk (non-exhaustive)	Time Horizon	Impact from Transition Risk (non exhaustive)	Time Horizon
Credit risk	Potential damage to collateral due to exposure to natural hazards.	ST-MT	Risk that our customers are not be able to adapt their business model; incurring in losses that could prevent them from meeting their credit obligations (leading to higher default/non-performing loans rate).	MT-LT
	Potential impact on households' credit affordability due to energy price changes caused by an acute or chronic climate effect.	ST-MT		
Residual value risk	No material impact expected.		Risk that advances in EV technology result in significant variance between assumed vehicle residual values and actual residual values.	ST MT
			Risk that expanding our presence in operational leasing increases our exposure to residual values and the potential risk of divergence between assumed and actual residual value.	LT
Market risk	No material impact expected.		High and volatile energy prices cause less demand due to rising costs	SL-LT
Liquidity and Funding risk	Environmental crisis can lead to higher withdrawals which could put pressure on the liquidity position of the Bank. (Liquidity Risk).	LT	ESG factors can affect the availability and/or stability of funding (more expensive access to market funding, unstable deposits due to changing customer preferences). (Funding Risk).	ST-MT
Structural risk	No material impact expected.		Risks associated with poor implementation of a sustainable lending strategy. An overly aggressive pricing strategy can lead to misalignments in the income statement.	MT-LT
Capital risk	Physical/weather events can have an impact on the Group's capital adequacy as they can impact the risk weight of its assets.	ST-LT	No material impact expected.	
Operational risk	Extreme physical/ weather events causing damage to office premises (buildings/assets/etc.) causing disruption in servicing customers.	ST-LT	No material impact expected	
Regulatory Compliance risk	No material impact expected		Risk of non-compliance with EU taxonomy laws and regulations relating to sustainable finance.	ST-LT
			Risk of increasing costs related to reporting on laws and regulations relating to sustainable finance.	ST-LT
			Risk of national government or municipal regulations and policy effects on the general Public – for example vehicle usage in urban areas.	ST-LT
			Risk of significant increase in compliance burden relating to EU, national governmental or municipal climate-related laws and policies	ST-LT
			Risk that meeting our NZBA requirements will lead to the need to reduce financing of non-zero emission vehicles, impacting profitability.	MT-LT
			Risk of implementation of national legislation preventing the sale of non-zero emission vehicles impacting volumes and profitability.	MT-LT

Model risk	No material impact expected		Risk that we are unable to develop technology solutions to inform consumers of the climatic impact of their consumption in line with their expectations; and as a result, lose customers due to lack of communication on the Group's lending platform.	MT-LT
			Risk of not capturing data needed to inform/advise the banks' management in decision-making related to climate risk.	LT
			Risk of significant changes in consumer behavioural change based on climate-impact concerns impacting our financing activities.	MT-LT
			Risk of wholesale shift in mobility models driven by climate-impact perspectives, rendering private car ownership, especially in urban areas, less attractive.	MT-LT
Reputational risk	No material impact expected.		Risk of not meeting key stakeholder (customer, partners, regulators, investor) expectations that in the Group is operated in a responsible and sustainable manner.	LT
			Risk of association with partners who themselves are not viewed by key stakeholders as acting in a responsible and sustainable manner.	MT-LT
			Risk of partners not wanting to conduct business with the Group because they do not consider us as acting in a responsible and sustainable manner.	MT-LT
Strategic risk	Extreme physical/ weather events impacting the global supply chain and our ability to achieve our strategic commercial goals.	ST-LT	Risk of not being able to adjust our business model in accordance with current regulations, losing competitiveness.	LT
			Risks arising from significant changes in government support programs/ incentives that may have an impact on our business volumes.	LT
			Risk of changing customer perspectives whereby customers demand differentiated and lower pricing for financing «green assets».	MT-LT
			Risk that scarcity or re-allocation of resources to meet ESG regulatory requirements impact execution of other ongoing initiatives or strategic projects.	ST-LT

Climate opportunities assessment

Theme	Opportunities	Time Horizon
Energy & Resource Efficiency	Cost reduction while promoting sustainability and responsible business practices by: <ul style="list-style-type: none"> - Implementing digital processes and reducing paper usage both internally and towards customers. - Implementing energy-efficient lighting systems, optimising HVAC systems, and adopting smart building technologies. - Implementing effective waste management practices and promoting recycling among employees. - Fostering a culture of sustainability among employees (Reducing business travels and commuting; EVs for employees) - Sourcing products and services from environmentally responsible suppliers 	ST
	Growth in wind and solar renewable energy financing and advisory by: <ul style="list-style-type: none"> - Supporting customers' adoption of green home energy solution (solar panels, geothermal heat, etc.) 	ST
	Foster a circular economy (reuse and regeneration of materials and products) by: <ul style="list-style-type: none"> • Providing financing options for companies engaged in remanufacturing and refurbishing automotive components and parts. • Promoting leasing and subscription models for vehicles, encouraging a shift from traditional ownership models. • Subscription-based services, where customers have access to a fleet of vehicles can be explored as a sust. mobility solution. • Facilitating collaboration between OMEs and dealers, to encourage the reuse and sharing of automotive parts. • Encouraging the reusability of consumables through financing (such as cell phones, computers, etc.) 	MT
Automotive sector	Green Auto Loans or specialised financing options for customers looking to purchase or lease low-carbon vehicles (which can include competitive interest rates, longer loan tenures, and attractive terms especially tailored to EVs and other clean vehicles)	ST
	Provide financing options for the installation and development of EV charging stations	ST
	Financing of additional technologies that enable low-carbon mobility solutions	ST
Market intelligence	Enhanced Data Analytics by gathering significant customer data from which we can extract valuable and can help the Group to better understand customer preferences, identify trends, and make data-driven decisions to improve products and services, while ensuring compliance with regulatory requirements.	ST
	Enhanced transparency and accountability by reporting our environmental performance. This can involve publishing sustainability reports, disclosing carbon emissions, and setting targets for resource efficiency improvements. Such reporting can help build trust with stakeholders and attract environmentally conscious customers.	MT

Theme	Opportunities	Time Horizon
	Carbon offset programs: Offering of green products to individuals and companies with offsetting options	MT
	Green deposits and green funding:	MT
	<ul style="list-style-type: none"> • Develop specific green deposit products that offer competitive interest rates or other incentives to customers. • Designate a portion of the funds from these deposits to finance green initiatives, such as renewable energy projects, energy-efficient building developments, or sustainable agriculture. • Offer sustainability-linked loans that incentivise borrowers to achieve specific sustainability targets or metrics. 	
	Growth in green bonds, green loans, and sustainability-linked financing instruments.	MT
	Continue issuance of green bonds following the Green, Social & Sustainability Funding Global framework adopted in 2022.	
Resilience	Embracing ESG principles and supporting the transition to a low-carbon economy can enhance the Group's reputation and attract socially conscious customers. Demonstrating our commitment to sustainability, can foster customer loyalty and differentiate from competitors. This can lead to increased market share and long-term profitability.	MT

IV. Overview of the Group's policies linked to Material Topics

Material Topic	Policy / Steering document	Description
Promoting responsible consumption	Sustainable Finance Classification System (SFCS)	Ensures a consistent and standardised approach to sustainable finance, embedding ESG (environmental, social and governance) factors across the organisation, enabling activity tracking, product development and mitigating the risk of greenwashing. Based on international industry guidelines, standards and principles such as the EU Taxonomy, ICMA, LMA Principles, UNEP FI framework and Climate Bond Standards.
	Green, Social and Sustainability Funding Global Framework	A Banco Santander framework for all green, social and sustainability labelled funding instruments traded in sustainable capital markets covering use of proceeds, process for project evaluation and selection, management of proceeds and reporting in line with the International Capital Market Association's and Loan Market Association's guidelines.
Minimising our carbon footprint	General Sustainability policy	Compiles overarching sustainability and responsible banking principles, including voluntary undertakings, positioned to create long-term value for the Group's stakeholders.
	Nordic Company Car policy	Outlines key requirements and principles for the Group's company cars, including the requirement for all company cars to be electric, unless infrastructure is inadequate to support an electric vehicle.
Ensuring human rights and good working conditions in our value chain	Human Rights policy	Outlines our commitment to protecting fundamental human rights, taking into consideration the UN Guiding Principles on Business and Human Rights.
	Culture policy	Forms the standards and principles required to embed a consistent and healthy corporate culture within the Group, including the outlining of diversity, equity and inclusion principles.
	Flexi Working policy	Sets out the new work model to support a healthy work life balance for Group employees.
	Outsourcing and Third-Party Agreements Corporate Framework	Establishes the principles to be followed within Banco Santander during the decision-making and regular due-diligence process, and in the formalisation of outsourcing agreements, from outset until completion, with third parties. Defines basic responsibilities and sets minimum expectations of supervision, control and supplier compatibility with responsible banking values and CoC including relating to human rights, environmental protection and working conditions. Sets the minimum expectations of supervision, oversight and appropriate controls of business partners to ensure compliance with obligations established under applicable regulations in relation to the provision of services to customers.
	Transparency Act Procedure	Sets out how the Group ensures respect for fundamental human rights and decent working conditions, as well as general public access and communication processes to anyone who requests in writing for general or specific information about how the Group manages actual and potential negative impacts on human rights and working conditions.
Acting as a responsible lender	Responsible Banking Framework	The Banco Santander Responsible Banking framework serves, at a global level, to propel the organisation towards a more sustainable business model that embeds Environmental, Social and Governance (ESG) criteria. The framework itself lays out common principles, roles, responsibilities, key processes, and governance arrangements.
	Consumer Protection policy	Sets out operating standards that must be considered in the drafting of internal guidelines, as well as in the interactions with customers, their monitoring and supervision, to ensure the adequate protection of the financial consumer.

Material Topic	Policy / Steering document	Description
	Commercialization of Products and Services and Consumer Protection Framework	Defines the product life cycle requirements for appropriate management and control of compliance, conduct and reputational risks that arise from the commercialisation process (design, sale and post-sale).
	Complaints policy and Nordic Complaint Handling procedure	<p>Sets out the minimum requirements for the handling of complaints, with the purpose to ensure that all complaints are managed in compliance with applicable local law, as well as internal and external regulations.</p> <p>Furthermore, the handling procedure applies to all complaints received by the Group and sets forth the minimum requirements for the handling of such complaints.</p>
Protecting the organisation's and customers' data	Data Protection & Privacy policy	Demonstrates how the Group carries out personal data processing in accordance with applicable data protection legislation, applicable to all employees, vendors and consultants handling personal data.
	Cyber Security Corporate Framework	Establishes the principles that must be adhered to by the Group for the management of cyber security, defines basic roles and responsibilities, establishes key processes and defines the essential elements of its governance.
Preventing corruption, money laundering and terror financing	Code of Conduct (CoC)	Assembles ethical standards and rules of conduct employees must attend to and is fundamental to the compliance administration. The Group's General CoC is applicable to all employees and members of the Board and sets the ethics, principles, and rules of conduct by which all activities of the Group should be governed, and therefore comprises the central component of Banco Santander's Compliance Program. All employees are also required to complete a mandatory training in the Code of Conduct to ensure proper knowledge and awareness of the ethical principles.
	Conflicts of Interest policy	Complementing provisions in the CoC, identifies the relationships, services, activities or operations where conflicts of interest may arise, as well as describing measures to reduce possible conflicts of interest, mechanisms and procedures to support identification, internal controls and external communication (for example to customers or regulators).
	Anti-Money Laundering and Counter Terrorist Financing (AML/CTF) policy	<p>Sets the criteria, roles and responsibilities, key processes and governance to be applied by the Group to prevent money laundering and terrorist financing and to comply with applicable regulations.</p> <p>The policy is based on Banco Santander's AML/CTF corporate policy and reference document which sets the minimum required standards for local units in regard to anti-money laundering and counter terrorist financing.</p>
	Whistleblower policy & Whistleblower procedure	<p>Outlines how to access and raise concerns about breaches via the whistleblower channel, via external whistleblower channels or via public disclosure in a prudent and effective way.</p> <p>The Whistleblower procedure regulates the use and operation of the whistleblower channel, in accordance with the CoC and Whistleblower policy.</p>
	Gifts and Invitations procedure	Defines and specifies the requirements for accepting gifts and invitations, as also set out in general in the Group's CoC.
	Code of Conduct in Security Markets policy	Describes the standards and rules to be followed for trading in securities markets.

V. How the Group works with Sustainable Development Goals (SDGs)

	SDG	SDG Target Summary	Sustainability Report 2022 Reference
E	SDG 12 Responsible Consumption and Production	12.2 Achieve the sustainable management and efficient use of natural resources	Support customers in their transition to a low carbon economy: <ul style="list-style-type: none"> • Material Topic: Promoting responsible consumption (p. 11-13)
	SDG 13 Climate Action	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	<ul style="list-style-type: none"> • Ambition to be Net zero by 2050 in Material Topic: Minimising our carbon footprint (p. 14-15) • TCFD Risks and Opportunities (Annex III)
S	SDG 3 Good Health and Well-Being	3.c.1 Health worker density and distribution	<ul style="list-style-type: none"> • Non-material topics – Supporting Communities (p. 21) • Annex IV – Flexi Working policy
	SDG 5 Gender Equality	5.5 Ensure women's full and effective participation in, and equal opportunities for, leadership at all levels of decision making	<ul style="list-style-type: none"> • Women in senior positions, women on the board, Equal Pay Gap and Gender Pay Gap in Material Topic: Ensuring human rights and good working conditions in our value chain (p. 16-17) and Non-material topics: Promoting Diversity, equality and inclusion (p. 21)
G	SDG 16 Peace, Justice and Strong Institutions	16.5 Considerably reduce corruption and bribery in all their forms 16.6 Develop effective, accountable and transparent institutions at all levels 16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels	Strong governance and culture across the organisation: <ul style="list-style-type: none"> • Material Topic: Preventing corruption, money laundering and terror financing (p. 20) • The Nordic approach to Responsible Banking • Material Topic: Protecting the organisation's and customers' data (p. 19) • Material Topic: Ensuring human rights and good working conditions in our value chain (p.16-17) • Non-material topics: Promoting Diversity, equality and inclusion (p. 21)

Sustainability report signed on behalf of Santander Consumer Bank AS

13 September 2023

Peter Sjöberg
Chief Operating Officer

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Independent Verification Report



To the Board of Directors of Santander Consumer Bank AS

Independent statement regarding Santander Consumer Bank AS' sustainability reporting

We have examined whether Santander Consumer Bank AS has prepared a GRI Index for 2022 and measurements and reporting of key performance indicators for sustainability (sustainability reporting) for the period of 1 January to 31 December 2022. Our assurance engagement was conducted to obtain limited assurance.

- Santander Consumer Bank AS' GRI Index for 2022 is an overview of which sustainability topics Santander Consumer Bank AS considers material to its business and which key performance indicators Santander Consumer Bank AS uses to measure and report its sustainability performance, together with a reference to where material sustainability information is reported. Santander Consumer Bank AS' GRI Index for 2022 is available and included in Santander Consumer Bank AS' Sustainability Report 2022. We have examined whether Santander Consumer Bank AS has developed a GRI Index for 2022 and whether mandatory disclosures are presented according to the Standards published by the Global Reporting Initiative (www.globalreporting.org/standards) (criteria).
- Key performance indicators for sustainability are indicators of sustainability that Santander Consumer Bank AS measures and controls. The key performance indicators that are subject to our assurance procedures are available and included in a separate table included in Santander Consumer Bank AS' sustainability report for 2022, specifically in the chapter "Annexes: Our progress in numbers". Santander Consumer Bank AS has defined the key performance indicators for sustainability and explained how they are measured in the same table under the column "Descriptions" (criteria). We have examined the basis for the measurements and whether these are developed, measured, and reported in accordance with the criteria.

Management's responsibility

Management is responsible for Santander Consumer Bank AS' sustainability reporting and for ensuring that it is prepared in accordance with the criteria described above. Their responsibility includes designing, implementing and maintaining internal controls that ensure the development and reporting of the GRI Index and key performance indicators for sustainability.

Our independence and quality management

We are independent of the company in accordance with the law and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our ethical obligations in accordance with these requirements. We use ISQM 1 - Quality management for firms that perform audits or reviews of financial statements, or other assurance or related services engagements and maintain a comprehensive system of quality control including documented guidelines and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory claim.

Auditor's responsibilities

Our responsibility is to express a limited assurance conclusion on Santander Consumer Bank AS' sustainability reporting based on the procedures we have performed and the evidence we have obtained. We conducted our work in accordance with the Standard on Assurance Engagements ISAE 3000: "Assurance engagements other than audits or review of historical financial information". A limited assurance engagement in accordance with ISAE 3000 involves assessing the suitability in the circumstances of management's use of the criteria as the basis for the



preparation of the sustainability reporting, assessing the risks of material misstatement of the sustainability reporting whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the sustainability reporting. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and, among others, included an assessment of whether the criteria used are appropriate, as well as an assessment of the overall presentation of the sustainability reporting. Our procedures also included meetings with representatives from Santander Consumer Bank AS who are responsible for the material sustainability topics covered by the sustainability reporting; review of routines for reporting key performance indicators for sustainability; obtaining and reviewing relevant information that supports the preparation of key performance indicators for sustainability; and assessment of completeness and accuracy of the sustainability reporting.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the sustainability reporting has been prepared, in all material respects, in accordance with the criteria.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that

- Santander Consumer Bank AS' GRI Index for 2022 is not, in all material respects, developed and presented in accordance with the requirements of the Standards published by The Global Reporting Initiative;
- Santander Consumer bank AS' key performance indicators are not, in all material aspects, developed, measured and reported in accordance with the definitions and explanations provided in relation to the key performance indicators.

Oslo, 13 September 2023

PricewaterhouseCoopers AS

Erik Andersen
State Authorized Public Accountant (Norway)

Revisjonsberetning

Signers:

<i>Name</i>	<i>Method</i>	<i>Date</i>
Andersen, Erik	BANKID	2023-09-13 11:51



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