

Green Bond report 2022





Banco Santander
Green Bond report
2022

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Introduction

By delivering on our purpose to help people and businesses prosper, we grow as a business while helping address society's challenges. We translated this overarching objective into a strategy that is based on the three ESG pillars (Environmental, Social and Governance)¹:

E	Deliver our net zero carbon ambition by 2050 by setting decarbonization targets, helping our customers transition and remaining carbon neutral in our own operations.
S	Support inclusive growth through financial empowerment; support education, enterprise and employment; and build a diverse, talented workforce.
G	Embed behaviors, processes, policies and governance to ensure we are acting responsibly, listening to our stakeholders, and treating them in a Simple, Personal and Fair way – all based on solid governance and prudent risk management.

Our climate and environmental targets²

	2018	2019	2020	2021	2022	9M23	2025/2030 target
Electricity from renewable sources	43%	50%	57%	75%	88%		100% by 2025
Carbon neutral in our own operations			✓	✓	✓		Every year
Green finance raised and facilitated (EUR)		19 bn	33.8 bn	65.7 bn	9.95 bn	105.9 bn	120 bn by 2025 220 bn by 2030
AuMs in Socially Responsible Investments (SRI) (EUR)				27.1 bn	55.32 bn	64 bn	100 bn by 2025
Thermal coal -related power & mining phase out (EUR)				7 bn	5.9 bn		0 by 2030
Emissions intensity of power generation portfolio		0.21	0.17				0.11 tCO ₂ e / MWh in 2030
Absolute emissions of energy (oil & gas) portfolio		23.84	22.58				16.98 mtCO ₂ e in 2030
Emissions intensity of aviation portfolio		92.47	93.05				61.71 gCO ₂ e/ RPK in 2030
Emissions intensity of steel portfolio		1.58	1.40				1.07 tCO ₂ e/ tS in 2030

.....> From...To
 ■ ■ ■ ■ ■ Cumulative target
 ✓ Commitment Achieved

Santander's Green, Social & Sustainability Funding Global Framework

Santander updated its "Santander Group Green, Social & Sustainability Funding Global Framework"³, that serves as a reference document for all issuance of green, social and sustainability labelled funding instruments offered by Banco Santander and/or any of its consolidated subsidiaries across the Group. The document was reviewed by Sustainalytics, who provided a second party opinion⁴ confirming the framework is credible and impactful and aligns with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, Green Loan Principles 2023, Social Bond Principles 2021 and Social Loan Principles 2023. Both documents were published in June 2023.

Although the Framework allows the use of proceeds towards a variety of green and social categories, the proceeds of the green bonds issued by Banco Santander, S.A. so far have been solely allocated towards renewable energy projects. In particular, the activities that have been financed via these green instruments are solar power (photovoltaic and concentrated solar electricity production) and wind power production, as specified within the Framework.

1. For more information, please see our [Annual Report 2022](#)
 2. For more information, please see our [Climate Finance Report 2022](#)
 3. For more information, please see the [Framework](#)
 4. Santander Group Green, Social and Sustainability Framework [Second Party Opinion](#)

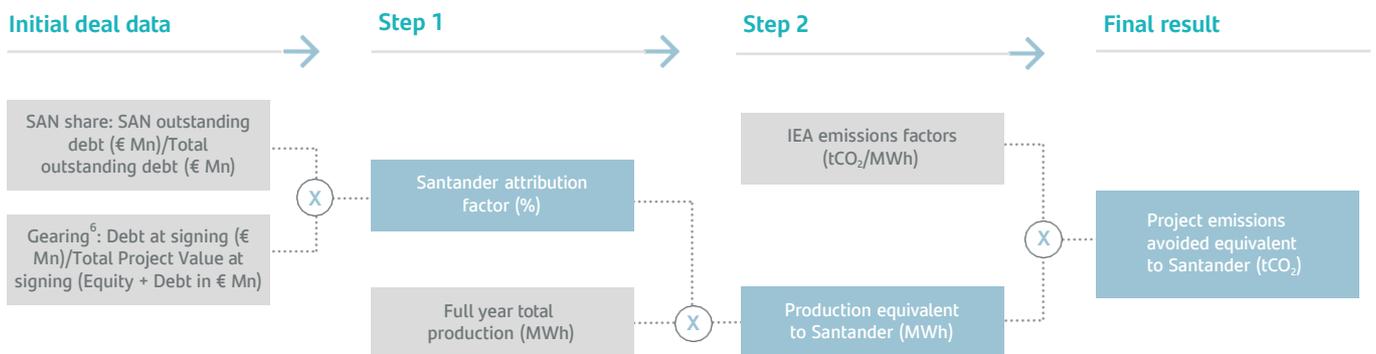
2. Calculation methodology

Installed capacity, energy production and avoided CO₂ emissions:

Every year, Santander estimates the CO₂ emissions that the power generation attributable to its renewable energy portfolio, allocated to green bonds, avoids. Emissions calculations come from the technology mix of associated national grids in the countries where the Eligible Assets are located. Here, we used the latest available data from the International Energy Agency (IEA) emission factors (tCO₂/MWh).⁵

Under this methodology, electricity generation (MWh) is based on the yearly production reported by project developers or, when not available, on the installed capacity (MW) and an adequate technology-specific load factor.

Steps to calculate avoided emissions



The impact measurement methodology we use is based on an internal estimate calculation according to the [GHG Protocol](#) and the Partnership for Carbon Accounting Financials (PCAF) standard for financed emissions.⁷ It takes into account Santander's attribution factor in the overall financing of each project, which includes both debt and equity (gearing).

Therefore, due to this calculation methodology, the total number of avoided emissions is influenced by several factors, such as the decarbonization trend of the national grids reflected in the emission factors, information available in the market at project signing or the composition of the allocated assets pool, among others.

5. International Energy Agency (IEA) 2023 edition of the emission factors data package; CO₂ emission factors for 2021 for electricity only generation (CHP electricity included for world countries (in CO₂ per kWh)).

6. In certain cases the total debt as of EOY 2022 cannot be fully evaluated thus a different calculation methodology for the attribution factor is used. For more details, see page 5.

7. PCAF developed the banking industry's main standard to assess financed emissions. According to the PCAF methodology, the denominator should include the total capital needed to finance the project. As per the standard used to assess financed emissions, the denominator to assess avoided emissions should include the total amount of debt and equity already disbursed.



Step 1 - Santander attribution factor:

$$\text{Attribution Factor}_p = \frac{\text{SAN outstanding debt}_p}{\text{Total outstanding debt}_p} * \text{Gearing}_p$$

- p is the project.
- SAN outstanding debt_p is the outstanding amount of debt already disbursed by Santander at 31 December 2022.
- Total outstanding debt_p is the total amount of outstanding debt at 31 December 2022.
- Gearing_p is the ratio between debt and debt+equity at signing of project.

In certain cases the total debt at 2022 year-end cannot be fully evaluated and the Santander attribution factor is calculated in the following way:

$$\text{Attribution Factor}_p = \frac{\text{SAN outstanding debt}_p}{\text{Total Project Value}_p}$$

- p is the project.
- SAN outstanding debt_p is the outstanding amount of debt already disbursed by Santander at 31 December 2022.
- Total Project Value_p is the sum of the total debt + equity of the project at signing

Step 2 - Project production:

To calculate the avoided CO₂ emissions, we classified the eligible projects by virtue of their operational status and energy production calculation method:

- **Actual production:** Projects that began up to and including 31 December 2021.
 - Avoided emissions calculated using actual production and Santander's attribution factor (MWh/year). For multilocation projects, the avoided emissions take into account the amount of energy produced in each country and the emission factor for the corresponding country.
- **Estimated annual production:** Projects that began after and including 1 January 2022.
 - Avoided emissions calculated using estimated annual production, based on the P50 estimation model⁸, and Santander's attribution factor (MWh/year). For multilocation projects, the avoided emissions take into account the amount of energy produced in each country and the emission factor for the corresponding country.

8. An estimation model according to which the P50 value is the predicted annual production and for which there is a 50% probability that it will be exceeded in a given year. Source: Platform Carbon Accounting Financials (PCAF), *Harmonising and implementing a carbon accounting approach for the financial sector, 2018*.



3. Key figures

Since our first €1 billion green bond issuance in 2019 and implementation of our global sustainable debt issuance plan, we have continued leveraging on our origination capabilities to issue more green bonds and notes.

The outstanding green bond issuances as of 31 December 2022⁹ were:

- October 2019: €1 billion senior preferred bond with a 7-year tenor issued by Banco Santander S.A.
- June 2020: €1 billion senior non-preferred bond with a 7-year tenor issued by Banco Santander, S.A.

- June 2021: €1 billion senior non-preferred bond with an 8-year¹⁰ tenor issued by Banco Santander S.A.
- March 2021: € 3 million note with a 3-year tenor issued by SAN PRO (Retail Spain), guaranteed by Banco Santander S.A.
- March 2021: € c. 2 million note with a 3-year tenor issued by SAN PRO (Retail Spain), guaranteed by Banco Santander S.A.

The issuances total € 3,005 million and are detailed below:

Issuer	Banco Santander, S.A. ¹¹	Banco Santander, S.A. ¹¹	Banco Santander, S.A. ¹¹	SANPRO (guarantor Banco Santander S.A.)	SANPRO (guarantor Banco Santander S.A.)
Issue Rating	A2 / A+ / A (Moody's / S&P / Fitch)	Baa1 / A- / A- by Moody's / S&P / Fitch	Baa1 / A- / A- by Moody's / S&P / Fitch	Notes have not been rated	Notes have not been rated
Nominal Amount (EUR)	1,000,000,000	1,000,000,000	1,000,000,000	3,039,000	1,925,000
Issue Date	4 October 2019	23 June 2020	24 June 2021	3 March 2021	30 March 2021
Maturity	4 October 2026	23 June 2027	24 June 2029	3 March 2024	2 April 2024
Instrument	Senior Preferred	Senior Non Preferred	Senior Non Preferred	Senior Preferred	Senior Preferred
Coupon	0.30%	1.125%	0.625%	Variable	Variable
Listing	EuronextDublin	EuronextDublin	EuronextDublin	EuronextDublin	EuronextDublin
ISIN	XS2063247915	XS2194370727	XS2357417257	ES0305466072	ES0305466080

9. € 1 million note issued by SAN PRO in December 2020 was early redeemed in December 2022

10. With a call date on 24/06/2028.

11. Issuer rating: A2 (Stable) / A+ (Stable) / A- (Stable) by Moody's/S&P/Fitch.

4. Green bond allocation & impact report

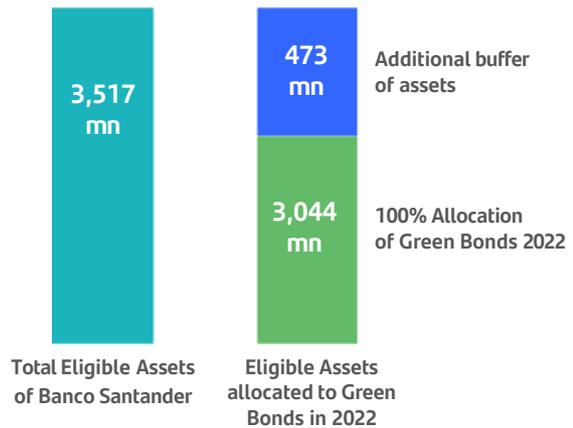
i. Allocation report

In accordance to the Santander Group Green, Social & Sustainability Funding Global Framework, the issuance of this report is motivated by a material change in the allocated asset pool in nominal terms since the last Green Bond Report.

The proceeds from the green bonds outstanding as of December 31st, 2022 (total notional amount of **€3,005 million**) have been allocated to **83** renewable energy (wind and solar) transactions: 26 greenfield and 57 brownfield projects that were originated between **2016** and 2022 and represent a total drawn outstanding amount of **€3,044 million**. The share of eligible assets allocated to existing loans¹² represents 38.2% of the total issued amount.¹³

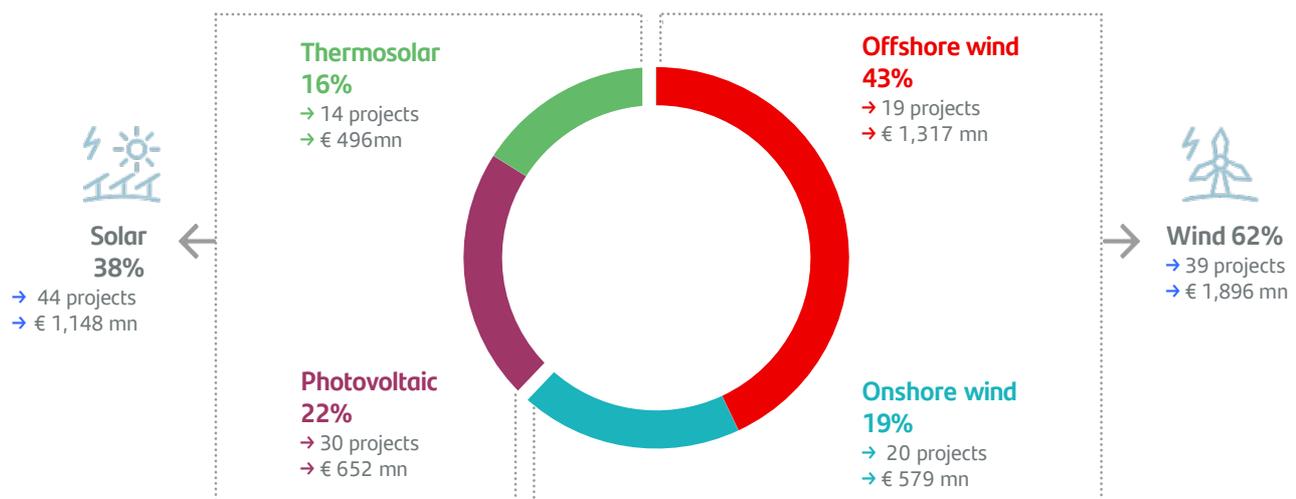
There is no remaining balance of unallocated proceeds of the green bonds.

Total eligible assets of Banco Santander and Allocation to Green Bonds by FY2022 (EUR)



2022 Green Bonds eligible allocated assets by technology

Distribution, number of projects and allocated amount as of FY2022

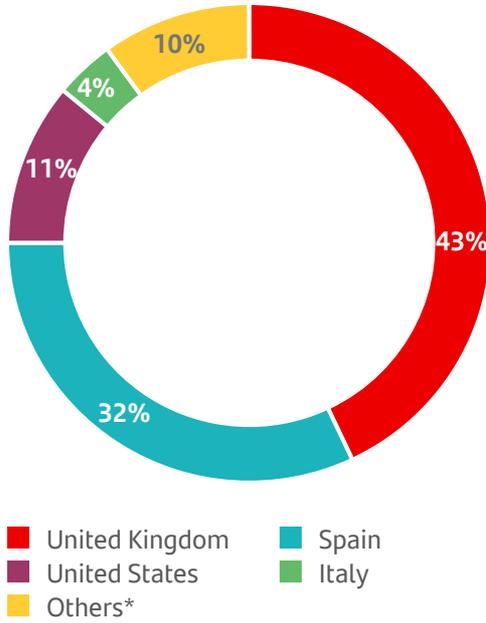


12. Existing loan defined as closed in years prior to respective green bond issuance.

13. Calculated as the share of Eligible Assets allocated to existing loans at the date of each issuance as a percentage of Total Eligible Assets allocated



2022 Green Bonds eligible allocated assets by geography (EUR)



The proceeds of outstanding Green Bonds as of December 31st, 2022 have been fully allocated towards €3,044mn eligible assets.

*Others include, The Netherlands, Germany, Chile and France

ii. Impact report

a. Summary of avoided emissions

The following table summarizes the positive impact generated by the Eligible Assets financed via outstanding Green Bonds

Technology	SAN Avoided CO ₂ emissions (tCO ₂)	%	SAN Avoided CO ₂ emissions (tCO ₂ /€ Mn invested)	Overall avoided CO ₂ emissions (tCO ₂)	%
Wind	722,585	73 %	381	15,537,031	84 %
Projects with actual production	197,570	20 %	302	5,886,328	32 %
Projects with estimated annual production	525,015	53 %	423	9,650,703	52 %
Solar	262,542	27 %	229	3,055,627	16 %
Projects with actual production	130,069	13 %	131	1,261,997	7 %
Projects with estimated annual production	132,473	14 %	849	1,793,630	9 %
TOTAL GENERAL	985,127	100 %	324	18,592,658	100 %

Avoided emissions for the period 1 January 2022 to 31 December 2022 amounted to **985,127 tons of CO₂** (324 tCO₂/€Mn invested), while the average avoided CO₂ per MWh of the projects allocated to the Green Bonds was **0.226 tCO₂/MWh**.



b. Use of proceeds by technology

The following data shows the use of proceeds of the assets portfolio:

Green Bonds Asset Allocation				
	Number of loans	Allocated Loan Amount (€mn)	Allocated Loan Amount %	Average Attribution Factor
Total general	83	3,044	100 %	16 %
Wind	39	1,896	62 %	13 %
Offshore	19	1,317	43 %	8 %
Onshore	20	579	19 %	18 %
Solar	44	1,148	38 %	18 %
Photovoltaic	30	652	22 %	21 %
Thermosolar	14	496	16 %	12 %

c. Installed capacity and production by geography

The impact pursued with green bonds issued is measured using renewable energy installed capacity (MW) and production (MWh).

	Chile	France ¹⁵	Germany	Italy	The Netherlands	Spain	UK ¹⁶	United States	Total
Nº of deal	2	3	1	6	1	41	20	9	83
Average SAN share (€mn)	42	29	55	22	75	24	65	38	37
TOTAL installed Capacity (MW)	310	1,192	900	538	600	4,018	14,514	3,240	25,311
TOTAL installed Capacity (MW) attributed to SAN	35	37	30	60	20	462	605	240	1,490
TOTAL Production (MWh)	798,514	2,914,098	4,940,300	808,597	2,367,557	7,764,434	51,976,266	9,764,656	81,334,422
TOTAL Production (MWh) equivalent to % SAN	91,639	121,812	166,335	89,339	80,162	915,554	2,179,278	712,007	4,356,126

15. Installed capacity, production and avoided emissions of one project in a joined France/ Spain/ Portugal/ Belgium/ Germany portfolio with assets in all countries have been included in the France values. Avoided emissions are calculated considering the emission factor of each country.

16. Installed capacity, production and avoided emissions of one project in a joined UK/Ireland portfolio with assets in both countries and one project in a joined United Kingdom/Italy/Sweden/France/Spain/Norway/Finland have been included in the UK values. Avoided emissions are calculated considering the emission factor of each country.



5. Disclaimer

IMPORTANT INFORMATION

Non-IFRS and alternative performance measures

This report contains, financial information prepared in accordance with International Financial Reporting Standards ("IFRS") and taken from our financial statements, as well as alternative performance measures ("APMs") as defined in the Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority (ESMA) on 5 October 2015 and other non-IFRS measures. The APMs and non-IFRS measures were calculated with information from Grupo Santander; however, they are neither defined or detailed in the applicable financial reporting framework nor audited or reviewed by our auditors. We use these APMs and non-IFRS measures when planning, monitoring, and evaluating our performance.

We consider them to be useful metrics for our management and investors to compare operating performance between periods. APMs, we use are presented unless otherwise specified on a constant FX basis, which is computed by adjusting comparative period reported data for the effects of foreign currency translation differences, which distort period-on-period comparisons. Nonetheless, the APMs and non-IFRS measures are supplemental information; their purpose is not to substitute IFRS measures. Furthermore, companies in our industry and others may calculate or use APMs and non-IFRS measures differently, thus making them less useful for comparison purposes. APMs using ESG labels have not been calculated in accordance with the Taxonomy Regulation or with the indicators for principal adverse impact in SFDR.

For further details on APMs and Non-IFRS Measures, including their definition or a reconciliation between any applicable management indicators and the financial data presented in the consolidated financial statements prepared under IFRS, please see the 2022 Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission (the SEC) on 1 March 2023¹⁷, as well as the section "Alternative performance measures" of Banco Santander, S.A. (Santander) Q3 2023 Financial Report, published on 25 October 2023¹⁸. Underlying measures, which are included in this document, are non-IFRS measures.

The businesses included in each of our geographic segments and the accounting principles under which their results are presented here may differ from the businesses included and local applicable accounting principles of our public subsidiaries in such geographies. Accordingly, the results of operations and trends shown for our geographic segments may differ materially from those of such subsidiaries.

ESG Data

This report also contains statements on emissions and other climate related performance data, statistics, metrics and/or targets (the "ESG Data").

The ESG Data are not financial data and are non-IFRS data. Such ESG Data are non-audited estimates (with the exception of the identified sections of this report which have been subject to the limited assurance report of *PricewaterhouseCoopers Auditores, S.L.* dated December 2023, carried out in accordance with the International Standard on Assurance Engagements 3000 (ISAE 3000) (Reviewed), "Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC).

The ESG Data are sourced from a variety of internal and external sources and may be based on underlying data, assumptions, estimates, standards, methodologies, metrics, measurements and judgements believed to be reasonable at the time of preparation, but which continue to evolve and may differ significantly from those used by other companies and those that may be used by us in the future. Given their inherent uncertainty and complexity, the ESG Data should be regarded as indicative and for illustrative purposes only and should not be considered guarantees as they may subsequently turn out to be inaccurate.

The ESG Data included in this report may consider broader definitions of materiality used by certain external frameworks and reporting guidelines and the use of the terms "material", "significant", "important" or similar words or phrases is not meant to imply that it is material to us under mandatory reporting standards.

Accordingly, the ESG Data are for informational purposes only, are not intended to be comprehensive and do not constitute investment, financial, legal, accounting, tax or other advice and such information should not be relied or acted upon for providing such advice. Santander makes no representations or warranties as to the quality, completeness, accuracy, or fitness for a particular purpose and shall not be liable for any use by any party of, for any decision made or action taken by any party in reliance upon, or for any inaccuracies or errors in, or omissions from, the ESG Data. No liability is being accepted in connection with it except where such liability cannot be limited under overriding provisions of applicable law. In addition, any commitments, goals and targets discussed in this report, including but not limited to our net-zero related commitments, goals and targets, are aspirational and there can be no assurance that any such commitments, goals or targets will be achieved.

Third Party Information

In this report, Santander relies on and refers to certain information and statistics obtained from publicly-available information and third party sources, which it believes to be reliable. Neither Santander nor its directors, officers and employees have independently verified the accuracy or completeness of any such publicly-available and third-party information, make any representation or warranty as to the quality, fitness for a particular purpose, non-infringement, accuracy or completeness of such information or undertake any obligation to update such information after the date of this report. In no event shall Santander be liable for any use by any party of, for any decision made or action taken by any party in reliance upon, or for inaccuracies or errors in, or omission from, such publicly-available and third-party information contained herein. Any sources of publicly-available information and third-party information referred or contained herein retain all rights with respect to such information and use of such information herein shall not be deemed to grant a license to any third party.

17. 2022 Annual Report Form 20-F, filed with the U.S. Securities and Exchange Commission (the SEC) on 1 March 2023.

18. Alternative performance measures of Banco Santander, S.A. (Santander) Q3 2023 Financial Report, published on 25 October 2023



Forward-looking statements

Santander advises that this report contains “forward-looking statements” as per the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These statements may be identified by words like “expect”, “project”, “anticipate”, “should”, “intend”, “probability”, “risk”, “VaR”, “RoRAC”, “RoRWA”, “TNAV”, “target”, “goal”, “objective”, “estimate”, “future”, “commitment”, “commit”, “focus”, “pledge” and similar expressions. They include (but are not limited to) statements on our future business development, performance, shareholder remuneration policy and ESG Data. However, risks, uncertainties and other important factors may cause actual developments and results to differ materially from those anticipated, expected, projected or assumed in forward looking statements. The following important factors and others described elsewhere in this report and other risk factors, uncertainties or contingencies detailed in our most recent Form 20-F and subsequent 6-Ks filed with, or furnished with the SEC), as well as other unknown or unpredictable factors, could affect our future development and results and could lead to outcomes materially different from what our forward-looking statements anticipate, expected, project or assume: (1) general economic or industry conditions (e.g. an economic downturn; higher volatility in the capital markets; inflation; deflation; changes in demographics, consumer spending, investment or saving habits; and the effects of the war in Ukraine or the COVID-19 pandemic in the global economy), in areas where we have significant operations or investments; (2) climate-related conditions, regulations, policies, targets and weather events; (3) exposure to various market risks (e.g., risks from interest rates, foreign exchange rates, equity prices and new benchmark indices); (4) potential losses from early loan repayment, collateral depreciation or counterparty risk; (5) political instability in Spain, the UK, other European countries, Latin America and the US; (6) legislative, regulatory or tax changes (including regulatory capital and liquidity requirements), especially in view of the United Kingdom exit from the European Union and increased regulation prompted by financial crises; (7) acquisition integration arising from deviating management’s resources and attention from other strategic opportunities and operational matters; (8) our own decisions and actions including those affecting or changing our practices, operations, priorities, strategies, policies or procedures; (9) uncertainty over the scope of actions that may be required by us, governments and others to

achieve environmental and social matters, as well as the evolving nature of underlying science and industry and governmental standards and regulations; and (10) changes affecting our access to liquidity and funding on acceptable terms, especially due to credit spreads shifts or credit rating downgrades for the entire group or core subsidiaries.

Forward looking statements are based on current expectations and future estimates about Santander’s and third-parties’ operations and businesses and address matters that are uncertain to varying degrees, including, but not limited to developing standards that may change in the future; plans, projections, expectations, targets, objectives, strategies and goals relating to environmental, social, safety and governance performance, including expectations regarding future execution of Santander’s and third parties’ energy and climate strategies, and the underlying assumptions and estimated impacts on Santander’s and third-parties’ businesses related thereto; Santander’s and third-parties’ approach, plans and expectations in relation to carbon use and targeted reductions of emissions; changes in operations or investments under existing or future environmental laws and regulations; and changes in government regulations and regulatory requirements, including those related to climate-related initiatives.

Forward-looking statements are aspirational, should be regarded as indicative, preliminary and for illustrative purposes only, speak only as of the date of this report, are informed by the knowledge, information and views available on such date and are subject to change without notice. Santander is not required to update or revise any forward-looking statements, regardless of new information, future events or otherwise, except as required by applicable law.

Historical performance is not indicative of future results

Statements about historical performance or growth rates must not be construed as suggesting that future performance, share price or results (including earnings per share) will necessarily be the same or higher than in a previous period. Nothing in this report should be taken as a profit and loss forecast

Not a securities offer

This report and the information it contains does not constitute an offer to sell nor the solicitation of an offer to buy any securities.



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6. Annex

I. PwC Independent Limited Assurance Report



Banco Santander, S.A.

Independent limited assurance report
"Banco Santander, S.A. Green Bond report 2022"
31 December 2022



Independent limited assurance report on the “Banco Santander, S.A. Green Bond report 2022”

To the management of Banco Santander, S.A.

We have undertaken a limited assurance engagement in respect of the accompanying “Banco Santander, S.A. Green Bond report 2022” of Banco Santander, S.A. (hereinafter, Banco Santander) for the year ended 31 December 2022, in regards with the Green Bond of 2019 (ISIN XS2063247915), the Green Bond of 2020 (ISIN XS2194370727) and the Green Bond of 2021 (ISIN XS2357417257) issued by Banco Santander, S.A., and the Santander International Products plc notes (ISIN ES0305466072 and ISIN ES0305466080) guaranteed by Banco Santander, S.A., (hereinafter, “the Green Bonds”), prepared in accordance with the criteria described in the “Santander Group Green, Social & Sustainability Funding Global Framework” document dated June 2023, defined by Santander Group (hereinafter, “Green, Social & Sustainability Framework” or “the Framework”), available on its website:

<https://www.santander.com/content/dam/santander-com/es/documentos/presentaciones-de-renta-fija/2023/06/prf-santander-gss-global-funding-framework-june-2023.pdf>

Specifically, the sections of the “Banco Santander, S.A. Green Bond report 2022” subject of our engagement have been the following:

- The allocation of the Green Bonds proceeds in accordance with the eligibility criteria, defined in the Green, Social & Sustainability Framework and detailed in sections “5. Use of Proceeds (“5.1. Eligible Categories” and “5.2. Exclusions to Use of Proceeds”)” and “6. Project Evaluation & Selection Process”.
- The Green Bonds funding allocation indicators included in section “4. Green bond allocation & impact report” of the “Banco Santander, S.A. Green Bond report 2022”, and specifically the indicators referenced in the subsections “i. allocation report” and “ii. Impact report”.
- The environmental impact indicator (avoided CO₂ emissions) associated to the Green Bonds, included in section “4. Green bond allocation & impact report” of the “Banco Santander, S.A. Green Bond report 2022”, and specifically the indicators referenced in the subsection “ii. Impact report”.

Responsibility of management

The management of Banco Santander is responsible for the preparation, content and presentation of the “Banco Santander, S.A. Green Bond report 2022” in accordance with the criteria included in the Green, Social & Sustainability Framework in which the eligibility criteria of the projects, the allocation of funds and the impact indicators are described. This responsibility includes the design, implementation and maintenance of the internal control required to ensure that the information included in the “Banco Santander, S.A. Green Bond report 2022” is free of material misstatement, whether due to fraud or error.

The management of Banco Santander is also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the mentioned “Banco Santander, S.A. Green Bond report 2022”, is obtained.



Our responsibility

Our responsibility is to issue a limited assurance report based on the procedures that we have carried out and the evidence obtained. Our limited assurance engagement was done in accordance with the International Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC).

The scope of a limited assurance engagement is substantially less extensive than the scope of a reasonable assurance engagement and thus, less security is provided.

The procedures that we have carried out are based on our professional judgment and have included consultations, observation of processes, document inspection, analytical procedures and sampling tests. The general procedures employed are described below:

- Meetings with Banco Santander, S.A. personnel from various departments who have been involved in the preparation of the "Banco Santander, S.A. Green Bond report 2022" to understand the allocation of the funds obtained through the Green Bonds, the existing internal procedures and management systems, the information gathering process and the control environment.
- Analysis of the procedures used for gathering and validating the information and data presented in the environmental impact indicator (avoided CO₂ emissions) included in the "Banco Santander, S.A. Green Bond report 2022".
- Verification that the investments undertaken by Banco Santander, S.A. in the (re)financed projects and the environmental impact indicator (avoided CO₂ emissions) have been made in accordance with the Green, Social & Sustainability Framework's criteria.
- Verification, through sampling tests revisions and substantive tests on the quantitative and qualitative information included in the sections of the "Banco Santander, S.A. Green Bond report 2022" under our review. We have also verified whether they have been appropriately compiled from the data provided by Banco Santander's sources of information.
- Obtainment of a representation letter from the management of Banco Santander.

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 "Banco Santander, S.A. Green Bond report 2022" has been prepared, in all material respects, in accordance with the Green, Social & Sustainability Framework.

Our independence and quality control

We have complied with the independence requirements and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standard Board for Accountants ("IESBA Code"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Limited assurance conclusion

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

- the Framework has not been properly applied to the selection of projects and associated impact indicators,
- the funds obtained through the Green Bonds have not been assigned to the assets or projects (re)financed by them and that the capital invested in the (re)financed assets or projects is not attributable to the Green Bonds,
- the environmental impact indicator (avoided CO₂ emissions) contains significant errors or has not been prepared, in all their significant matters, in accordance with what is indicated in the Framework in the “Banco Santander, S.A. Green Bond report 2022” in relation to its calculation.

Restriction on distribution and use

This report, including the conclusion, has been prepared solely for the management of Banco Santander, to assist them in reporting on the information related to the projects (re)financed by the Green Bonds issued in 2019, 2020 and 2021 by Banco Santander, S.A., contained in “Banco Santander, S.A. Green Bond report 2022” of Banco Santander, S.A. We permit the disclosure of this report within the “Banco Santander, S.A. Green Bond report 2022”, to enable the management to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the information related to the projects (re)financed by the Green Bonds. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than management as a body and Banco Santander, S.A. for our work or this report save where terms are expressly agreed and with our prior consent in writing.

PricewaterhouseCoopers Auditores, S.L.



Pablo Bascones Ilundáin

20 December 2023