

SANTANDER GROUP GENERAL POLICY

HUMAN RIGHTS POLICY



February 2018

Santander Group General policy

Human Rights Policy

I. Introduction

This policy contains commitment of Banco Santander, S.A and its Group («Santander, Santander Group») to human rights in accordance with the highest international standards, in particular the 2011 United Nations Guiding Principles on Business and Human Rights.

II. Purpose

According to its corporate culture, Santander Group undertakes to respect and promote human rights within the scope of its business, and to prevent, or otherwise, minimise any infringement directly caused by its business.

This human rights policy includes Santander Group stance on this matter and establishes principles on which its commitment in accordance with such the main international declarations as:

- The International Bill of Human Rights, created by the Universal Declaration of Human Rights proclaimed in 1948 by the United Nations General Assembly through the International Covenant on Civil and Political Rights and its two protocols, and the International Covenant on Economic, Social and Cultural Rights.
- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work.
- Tripartite declaration of principles of the International Labour Organization concerning multinational enterprises and social policy.
- The United Nations Guiding Principles on Business and Human Rights.
- National Action Plan for Companies and Human Rights.
- OECD guidelines for multinational companies.
- The ten principles of the United Nations Global Compact.
- The Equator Principles.

Furthermore, this human rights policy of Santander Group is aligned with the Bank's General Code of Conduct and other policies regarding corporate social responsibility.

III. Scope of application

This policy is made by Banco Santander, SA, as the parent entity of Santander Group, being directly applicable to the Corporation, and is provided to the subsidiaries of the Group as a reference document, establishing the regime to be applied to the matter to which it refers.

The Group entities are responsible for preparing and approving their own internal regulations by their respective governance bodies that allow its application in their scope of the provisions, contained in the Group's rule, with the adaptations that, when appropriate, are strictly essential to make them compatible and to comply with the regulatory requirements, regulations or the expectations of their supervisors.

IV. The Santander Bank and human rights: principles and commitments

The Bank's human rights principles and commitments are described below. These commitments constitutes a fundamental element to become the world's best retail and commercial bank that earns the lasting loyalty of our people, customers, shareholders and communities.

a) Relationships with Santander Bank employees

Preventing discrimination and practices that infringe upon people's dignity

Santander Group employees have the right to enjoy a respectable work environment.

To this end, providing equal opportunities related to work access and professional promotions will be a basic principle in Santander Group, ensuring at all times that people will not be discriminated for their sex, race, religion, origin, marital status or social condition. The Bank also undertakes to maintain a work environment free of harassment, abuse, intimidation or violence.

Rejecting forced labour and child exploitation

Santander Group will not knowingly resort to any form of forced or compulsory labour.

Furthermore, the Bank rejects child labour and will respect the provisions of the ILO convention or the legal minimum working aged established in countries (provided it is more demanding than the ILO convention).

Respecting the freedom of association and collective bargaining

Santander Group recognises workers' fundamental rights to form and associate with unions or representative bodies. The Group also guarantees respect for the freedom of expression, union activity, collective bargaining and the recognised protection of workers' representatives in accordance with each country's labour legislation.

Protecting employees' health

Santander Group considers its employees' work safety and health fundamental to achieving a comfortable and safe work environment and prioritises the permanent improvement of work conditions.

Furthermore, the Group will comply with all requirements set out under each country's laws on this matter, and will take appropriate measures to ensure safety and health in the workplace.

Offering respectable employment

Santander Group remunerates employees in a respectable manner, based on their training, experience, responsibilities and functions, in accordance with each country's relevant legislation and socio-economic setting.

The Group ensures its employees' right to rest in accordance with local legislation; in the event no legal framework exists on this subject, Santander Bank will set out the necessary conditions to guarantee that employees have that right.

Furthermore, Santander Group sees to it that its employees have the right to personal data and privacy protection.

Santander Group affords its employees work practices based on flexibility for them to balance their professional careers with other interests and responsibilities they may have. The Bank strives to create a work environment that adapts to each employee's personal and family lives without compromising the demand or focus on the results.

b) Relationships with customers and suppliers

Commitment to customers

Santander Group employees should be especially attentive so as to offer customers only the products and/or services that match their situation and needs, making it easy for them to understand the terms and conditions, benefits, risks and costs and avoiding any unjustified discrimination to whom the products are offered, all in accordance with the Santander Group General Code of Conduct.

In relation to its clients, Santander Group has acquired public commitments such as the Equator Principles, as well as the application of its own sectorial policies and General Code of Conduct, among others, that provide measures regarding the exercise of due diligence to prevent, mitigate and manage impacts on human rights.

Commitment to suppliers

Santander Group will foster respect for human rights throughout the supply chain. In particular, the Group will urge suppliers and their employees to adhere to the commitments described under this policy, always with respect for their management autonomy and following the best practices and procedures found under the Bank's purchasing regulations.

Therefore, when negotiating with suppliers, the Group will obtain their conformity with the Corporate Social Responsibility Protocol, which includes the 10 principles of the United Nations Global Compact. Furthermore, the Group will take measures to verify that its suppliers respect human rights through compliance with this protocol, particularly in environments with elevated higher risk.

In line with its policies and practices regarding purchasing, contracts and supplies, Santander Group will encourage relationships with suppliers that demonstrate their commitment to human rights with their own human rights policy.

Commitment to other business partners

Santander Group undertakes to disseminate the compliance of its human rights policy among its business partners, especially those whose origin, activity or importance to the Santander advise it.

c) Relationships with communities the Bank operates

Santander Group helps the communities where it operates to develop. Therefore, it will promote respect for human rights, particularly in those places where the legal and institutional framework is weaker.

Thus, Santander Bank undertakes to:

Respect, support and promote human rights in the communities it serves

Santander Group undertakes to cooperate with government bodies, international organisations, civil organisations and other institutions, and promote values consistent with the International Bill of Human Rights and other relevant principles and declarations for the purposes of this policy within its scope of influence.

Supervise and control the impact of its transactions on the communities it serves

Santander Group recognises the right of communities to have a clean and healthy environment, and undertakes to act to minimise the environmental impact of its transactions. This means:

- Assuming the obligation to analyse, identify and correct negative social and environmental impacts, particularly on local communities, during the risk analysis process regarding lending activities and in a way that is consistent with the guidelines approved by the International Finance Corporation, the negative social and environmental impacts, including those about local communities.
- Developing specific policies that, in keeping with the Equator Principles, regulate the necessary requirements to offer financing to sectors, activities, or potential customers that pose a special social, environmental or human rights risk.

- Including a social and environmental dimension and human rights protection in the Bank's asset management policy in a progressive manner and in line with the United Nations "Principles for Responsible Investment".

Guarantee security with respect for human rights

Santander Group will ensure that physical, banking and computer-related security measures are implemented in order to guarantee respect for the human rights and fundamental freedoms of people who interact with the Group; employees carrying out these functions must demonstrate that they are suitable for this position and will receive training as necessary.

Help eradicate corruption

As a signatory of the ten principles of the United Nations Global Compact, Santander Bank undertakes to work against corruption of all types, including extortion and bribery.

Santander Bank is a founding member of the Wolfsberg Group, of which other large international banks are also members. The principles and guidelines established by this group are an important reference in the fight against money laundering, corruption, terrorism and other serious crimes.

V. Assessment and control procedure

Santander Group will work to ensure that this policy is implemented effectively; analyse its implementation on a regular basis; and assess the risk of breach within the areas where it operates.

In due diligence processes prior to entering into lending agreements or any other type of agreement, and within the scope of the Equator Principles and social and environmental risk management policies, Santander Bank undertakes to assess the human rights policies and practices of its counterparties as part of its analysis process.

Additionally, it will guarantee the appropriate resources to anticipate and mitigate risks in all of its activities by implementing the identified corrective measures, and be responsible for monitoring these measures.

Any identified breach of the respect for human rights will be analysed based on internal procedures, legislation and agreements in force, possibly resulting in disciplinary measures being taken.

Furthermore, the Bank's employees are obliged to inform Santander Bank of any identified breach of the commitments found in this policy. To do this, employees may contact Santander Bank through the whistleblowing channel created under the General Code of Conduct (canaldedenuncias@gruposantander.com) without fear of reprisal.

VI. Relationship with other policies

The contents of the general sustainability policy and other sectoral policies of the Group will be included if it is not covered in this policy.

VII. Policy ownership and updates

Banco Santander, S.A. Board of Directors owns this policy. Any review or modification on it must be approved by the board of directors.

This policy will be subject to review in the Sustainability Committee with the objective that all the areas represented in this committee will know and adopt the main decisions to put it in practice.

It will be the responsibility of the corporate sustainability unit to inform the local sustainability units, in the Group's subsidiaries, of any revision or modification of this policy for its correct local adoption. This unit will also be responsible for making the proper follow-up of said local adoption.

The content of this policy constitutes a process of continuous improvement that will be reflected in the annual reviews of this document.

This policy was last revised in February 2018 and is published for general knowledge on the corporate intranet and on the website www.santander.com