

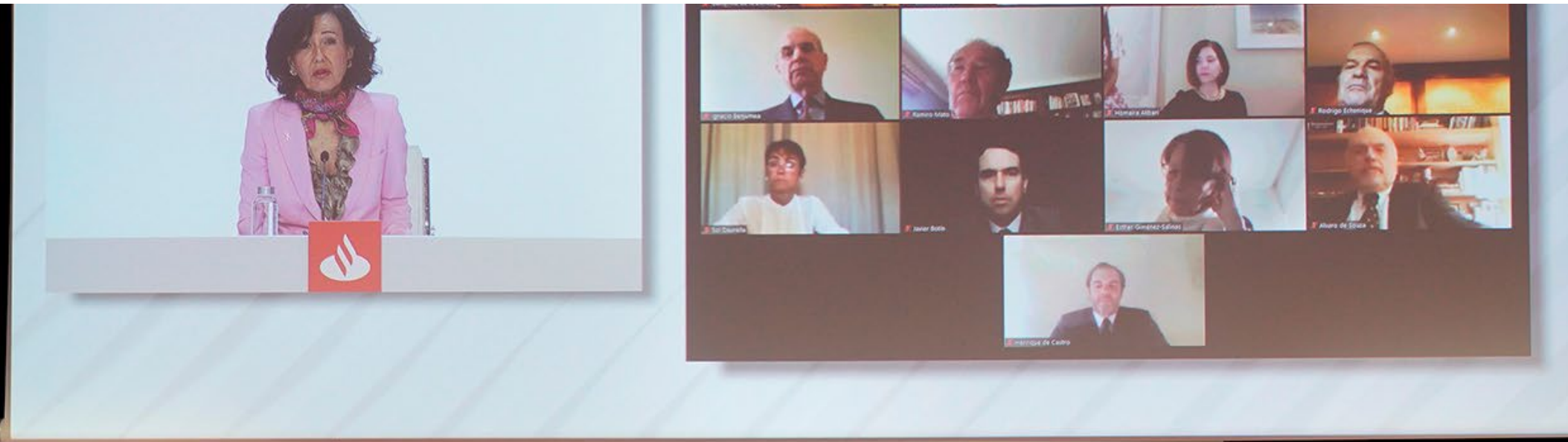


Responsible Banking Report



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01

Santander Group (Global)

Business model and strategy

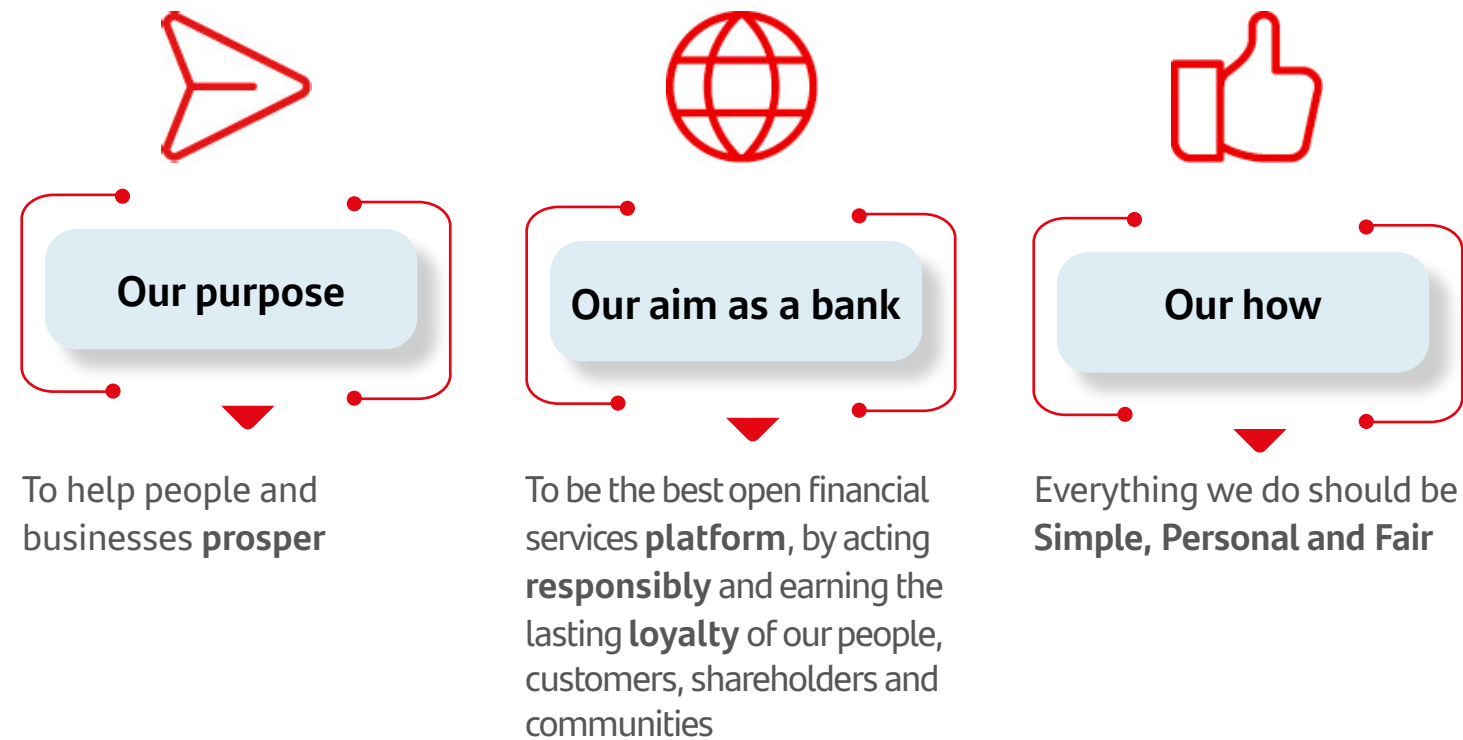
Responsible Banking

2020 Highlights

Business model and strategy



The Santander Way remains unchanged...



... continuing to deliver for all our stakeholders



Helping people and businesses prosper whilst adopting ESG practices



Environmental: supporting the green transition

Helping customers go green

EUR 33.8 bn
Green Finance since 2019

EUR 6.9 bn
AUM Social Responsible Investment

Going green ourselves

EUR 1 bn
green bond issued (2nd since 2019)

Carbon neutral
in our own operations



Social: building a more inclusive society

Financially empowering people

4.9 mn
people¹ since 2019

EUR 469 mn
Credit to microentrepreneurs in 2020

Supporting society

4.0 mn
people helped since 2019

225 k
scholarships granted since 2019

1. People financially empowered through Santander initiatives.



Creation of a solidarity fund to face the covid-19 impact

Communities

We contribute more than ever to the Well-being of society at large

EUR 54 mn donated by employees and the bank to provide essential health equipment and materials

EUR 30 mn through Santander Universities

EUR 21 mn to support vulnerable communities



Governance: doing business the right way

A strong culture

86%
employees proud to work for Santander

An independent and diverse Board

40%
women on Group board

>60%
Independent directors

Our Business model

1 Our scale

Local scale and global reach

- Local scale based on three geographic regions, where we maintain a leadership position in our core markets.
- Global reach backed by our global businesses, enabling greater collaboration across the Group to generate higher revenue and efficiencies.

Top 3 bank^A in 9 of our core markets



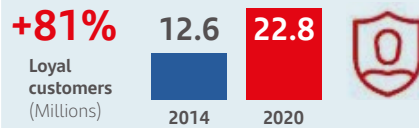
A. Market share in lending as of Sep-20 including only private owned banks. UK benchmark covers mortgage market.

2 Customer focus

Personal relationships that increase customer loyalty

- We serve 148 million customers, in markets with a total population of more than one billion people.
- We have over 100,000 people talking to our customers every day in our extensive branch network and contact centres.
- Digital sales represented 44% of total. Increasing digital adoption (mobile customers +6.1 mn YoY)

Top 3 in customer satisfaction (NPS)^B in 6 markets

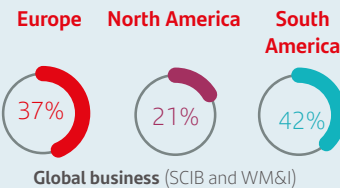


B. NPS – Customer Satisfaction internal benchmark of active customers' experience and satisfaction audited by Stiga / Deloitte.

3 Diversification

Our geographic and business diversification make us more resilient under adverse circumstances

- Balanced geographic diversification between mature and emerging markets.
- Business diversification between customers segments (individuals, SMEs, mid-market companies and large corporates).
- Global businesses that strengthen our local franchises.



Global business (SCIB and WM&I)

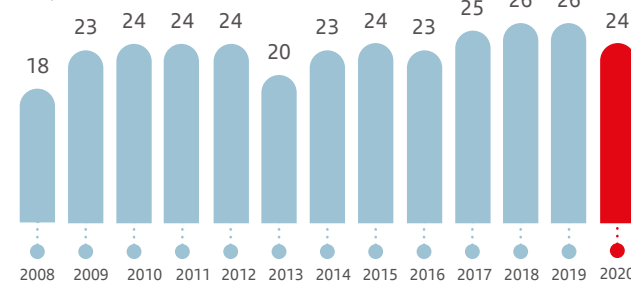


Note: Underlying attributable profit contribution by region, excluding Santander Global Platform (which will upgrade to PagoNxt) and Corporate Centre.

Resilient profit generation throughout the cycle

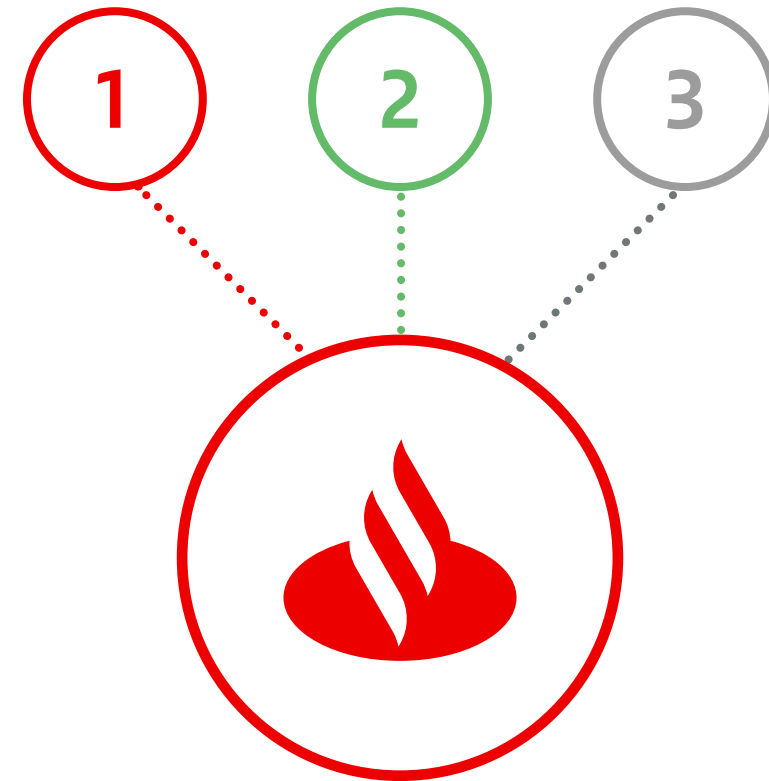
In 2020, Grupo Santander delivered a resilient operating income within the environment arising from the covid-19 crisis, supported by a disciplined capital allocation in accordance with our strategic priorities

Group net operating income (EUR billion)



Net operating income = Total income - Operating expenses.

The Santander of Tomorrow – 3 priorities for profitable growth



- ### 1 One Santander

New operating model leveraging our global scale to deliver a better customer experience, supported by common culture and higher degrees of commonality, technology being one.
- ### 2 PagoNxt

Our Group technology “backbone” solutions with payments at the core.
- ### 3 Digital Consumer Bank

Openbank and Santander Consumer Finance driving profitable growth in Europe and new markets

1. One Santander:

Creating a better bank for our customers with a new operating model...



...in order to drive customer growth and higher productivity and profitability

Region	Medium term goals:	Underlying RoTE ^C	Efficiency ratio ^A
Europe^B	<ul style="list-style-type: none"> → Focus on capital efficient growth opportunities → Leverage PagoNxt global solutions with particular focus on SMEs and merchants → Re-invent our branch network (Work Cafés), expand Santander Personal, deploy common mobile app 	10%-12%	c.45%
North America	<ul style="list-style-type: none"> → Expand collaboration to Commercial Banking, Auto and other retail segments → Build shared services 	11-13%	c.40%
South America	<ul style="list-style-type: none"> → Expand Getnet and Superdigital to other countries → Common operating model for Consumer Finance → Focus on revenue growth opportunities (e.g. Agribusiness) 	19%-21%	c.35%

A. Medium term goals for the efficiency ratio do not represent guidance. The actual efficiency ratio may vary materially in the medium term.
 B. Excluding SCF+Openbank, which would have an efficiency ratio of c.39% and a RoTE of 13%-15%. Europe, including SCF+Openbank, would have an efficiency ratio of c.43% and a RoTE of 12%-13%.
 C. Medium term goals for underlying RoTE do not represent guidance. The actual underlying RoTE may vary materially in the medium term.
 D. Adjusted RoTE for excess capital in the US.

We have integrated **ESG criteria** into our new strategic priorities: **One Santander** Europe has focused on 2020 on rebuilding after covid-19, supporting people (especially more vulnerable communities, in financial distress) and helping customers transition to the green economy.

2. PagoNxt:

PagoNxt will help Santander banks deliver payment solutions seamlessly, faster and with better value



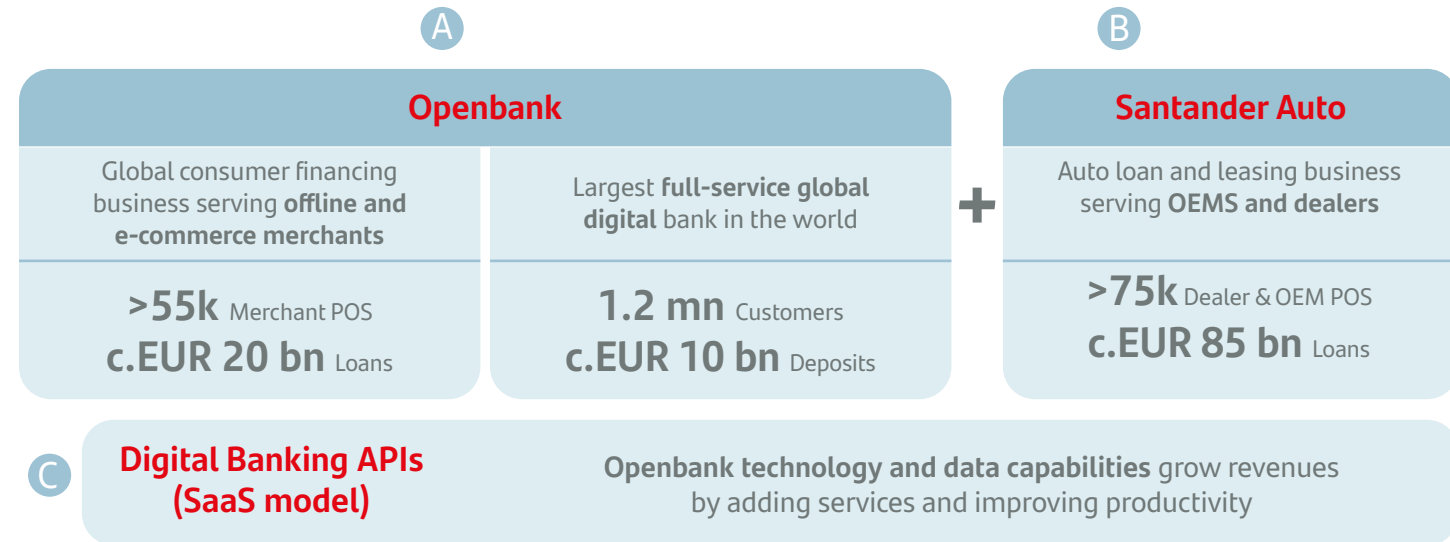
Focused in **3 business verticals to accelerate growth**, leveraging on scale, 'being global' and efficiency

Vertical	Goal	Market growth	Santander's scale
1 MERCHANT	Our merchant payment services on one global platform are now being used across the Group as Getnet	<p>+11% Expected annual growth in e-commerce</p> <p>EUR 80 bn Merchant acquiring global revenue pool</p>	<p>>1.1 mn Active Merchant business customers</p> <p>c.60 mn Active credit and debit cards</p>
2 TRADE	Significant investments in 4 key assets: Ebury, One Trade, Mercury and PaymentsHub	<p>+3% Annual growth international trade</p> <p>EUR 350 bn International trade revenue pool</p>	<p>>4 mn Group SME customers</p> <p>>200,000 Group SME customers trading int.</p>
3 CONSUMER	Leveraging our Superdigital proposition	Solution for the unbanked in Latin America	→ With a high growth in active customers and transactions value in 2019

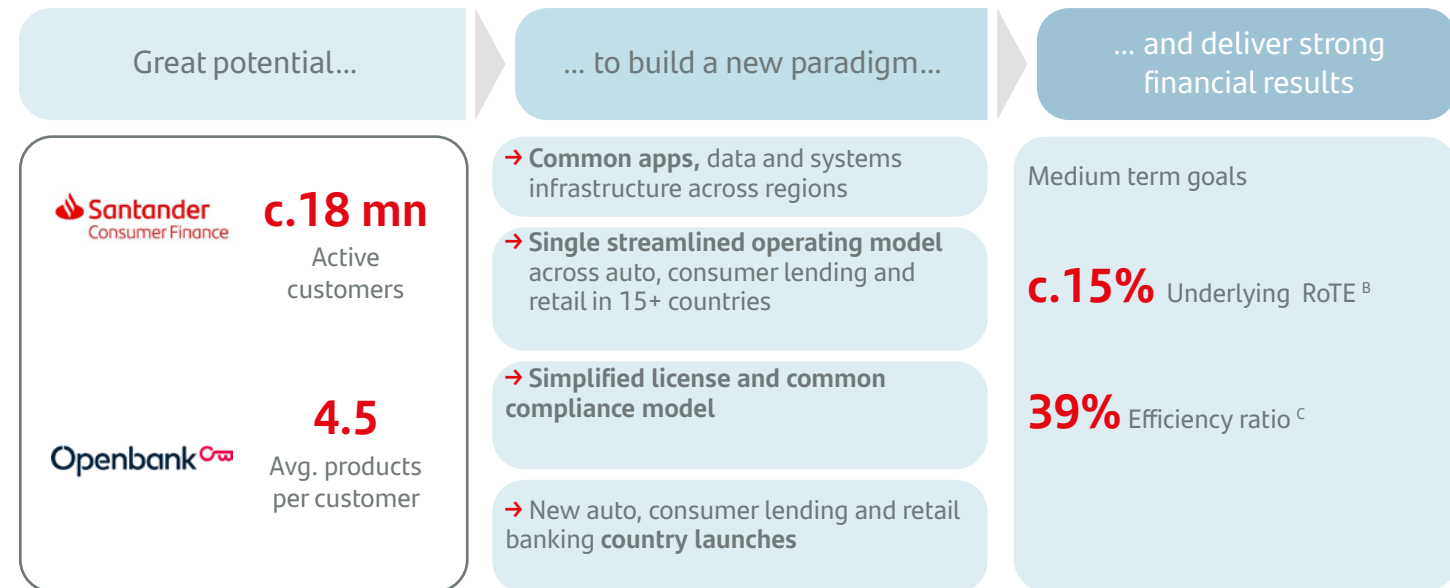
We have integrated **ESG criteria** into our new strategic priorities: Developed consumer solutions (such as Superdigital) within **PagoNxt** scope will benefit individual lives through **financial inclusion** and domestic and international payments for all.

3. Digital Consumer Bank:

Combining the scale and leadership of SCF in Europe with the platform of Openbank. Our vision is to become the largest digital consumer bank in the world

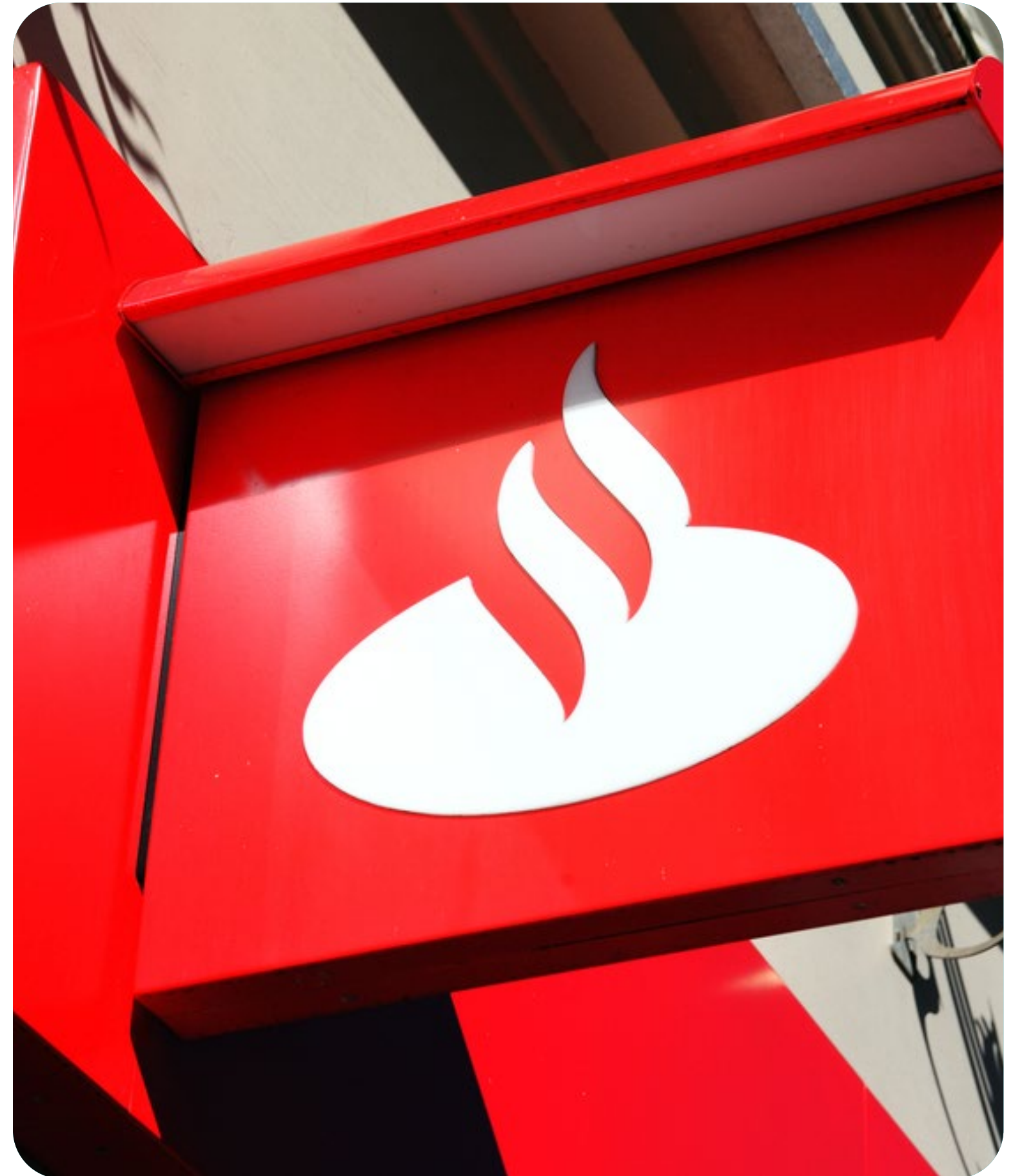


Our ambition: to grow revenues and x2 PAT^A in the medium term and build the most innovative consumer lending business in Europe



A. Underlying.
B. Medium term goals for underlying RoTE do not represent guidance. The actual underlying RoTE may vary materially in the medium term.
C. Medium term goals for the efficiency ratio do not represent guidance. The actual efficiency ratio may vary materially in the medium term.

We have integrated **ESG criteria** into our new strategic priorities: **Digital Consumer Bank** is developing business solutions with a positive environmental impact. We have developed **green finance solutions** for consumers, such as clean vehicles, solar panels or heating systems amongst others.



Responsible Banking



Our approach

By delivering on our purpose to help people and businesses prosper, we grow as a business and can help society address its challenges.

"At Santander, we've always known we have a responsibility to support society – and I have no doubt that we'll continue to fulfill it. We are determined to help businesses and communities across the world build back better – and use this as an opportunity to address global challenges such as inequality and climate change. This is the right thing to do – the responsible thing to do, and the path to generate value for our shareholders.

In 2020, the covid-19 pandemic forced us to face yet another challenge – an economic crisis that devastated millions. As we look ahead, governments and companies must come together to build back better, so that we emerge from this crisis stronger, supporting inclusive and sustainable growth around the world. Banks have a critical role to play. We are part of the solution. We have a crucial duty and an essential role: to support our employees, our customers, and to deliver sustainable returns to you, our shareholders".

Ana Botín, Group Executive Chairman.

By being responsible, we build loyalty



... Santander treats **me** responsibly

In our day-to-day business, we make sure we don't just meet our legal and regulatory requirements, but also exceed people's expectations by being **Simple**, **Personal** and **Fair** in all we do.

... Santander acts responsibly in **society**

We focus on areas where our activity can have a major impact on helping people and businesses prosper.

How we helped people and businesses prosper in 2020



People

EUR 10,783 million
Staff costs^A

95%
of employees are full-time

53.7%
of employees are women



Customers

EUR 916,199 million
loans outstanding (net)

EUR 497,987 million
to households

EUR 21,227 million
to government agencies

EUR 469 million
to microenterprises via microfinance programmes

EUR 319,616 million
to companies

EUR 77,132 million
to others^B



Shareholders

EUR 477 millions
Total shareholder remuneration^C

EUR 44,011 million
market value at year end, second highest bank in the eurozone



Communities

EUR 204 million
invested in communities

EUR 110 million
invested in universities

EUR 94 million
invested in community programmes and projects



Suppliers

EUR 5,230 million
paid to suppliers^D

4,592
suppliers selected under our global procurement model

94.7%
local suppliers^D



Tax contribution

EUR 6,443 million
Total taxes paid by the group

EUR 2,946 million
corporate income tax

3,497 millones de euros

A. From group consolidated financial statements.

B. Including financial business activities and customer prepayments.

C. The maximum allowed in accordance with the limits set by the European Central Bank (ECB) in its recommendation last December.

D. Data refers exclusively to purchases negotiated by Aquanima.

What our stakeholders tell us

To build a more responsible bank, understanding and responding to all our stakeholders is fundamental.

Listening to our stakeholders and creating value

Loyalty is key to lasting value. Earning and retaining it depends on our ability to understand all our stakeholders' concerns and respond to their needs. By listening to them and measuring their perceptions of Grupo Santander, we not only identify issues, but also find opportunities to add value.

Grupo Santander has several approaches to gauging stakeholder opinion. We run surveys and speak-up channels for our employees. We engage our customers through interactive platforms. We also respond to demands from top analysts, investors and indexes interested in environmental, social and governance (ESG) matters.

We keep pace with new regulations and best practices worldwide. We take part in consultations with authorities, sector associations and other organizations that influence sustainable development policymaking. We assess externalities to identify risks and opportunities to our business, appraise our impact on the community and create value for society and the environment.

We are also involved in major local and international initiatives to support inclusive and sustainable growth (see 'Joint initiatives to promote our agenda' in 'Governance and priorities').

<p>83% of employees think Santander provides the flexibility they need to be productive</p>	<p>86% Santander's response to the pandemic is effective</p>	<p>3 millions of surveys to measure customer satisfaction.</p>	<p>42,670 banked individuals surveyed about Santander being Simple, Personal and Fair.</p>
<p>22,500 employees surveyed in the 2020 global pulse survey</p>	<p>4,390 complaints through ethical channels</p>	<p>15,260 shareholders surveyed about Santander being Simple, Personal and Fair</p>	<p>27,446 shareholders and investors participated in studies and qualitative surveys</p>
<p>1,432 agreements with universities and academic institutions</p>	<p>2,383 partnerships with social institutions and entities</p>	<p>132,857 queries handled by email, phone, WhatsApp and online</p>	<p>322 meetings with shareholders and 1,137 contacts with institutional investors</p>

Materiality assessment: Identifying the issues that matter

Grupo Santander analyses the environmental, social and governance issues our stakeholders care about the most. Every year, we run quantitative and qualitative assessments of our value chain, gathering information from internal and external sources, including the dialogue channels mentioned above. We weight inputs on their level of materiality, which is revised every year to reflect reality.

The matrix below, which shows the topics our stakeholders consider most relevant for Santander, helps us focus our priorities, initiatives and programmes across the Group. In 2020, we addressed these issues in order to strengthen our responsible business practices and ethical behaviour, tackle climate change, support the transition to a low-carbon economy, promote financial inclusion and create a diverse and talented team, while managing and developing it.

Analysis inputs

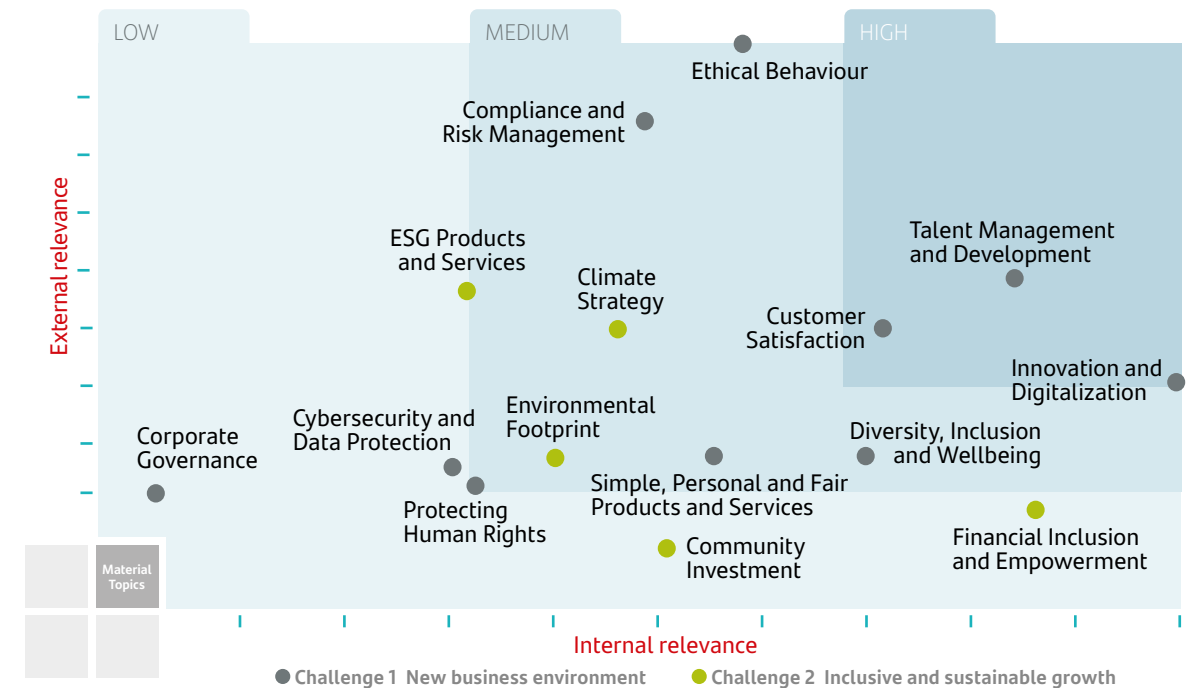
External

- 2020 megatrends (WBCSD)
- Customer satisfaction (Net Promoter Score drivers)
- ESG analyst and index evaluations (including roadshows)
- Public opinion (social media and digital press analysis)
- Reporting trends in the banking sector (peers' material issues, RepRisk Rating and others)
- Requirements of regulators and international institutions (World Bank, WEF, UNEP FI, ...)
- ESG reporting standards requirements (GRI, SASB)

Internal

- Santander's strategic view (public commitments, internal communications, workshops, top risk analysis)
- Responsible banking agenda (responsible banking, sustainability and culture committee; Culture, and Inclusive and Sustainable Banking steering groups, messages from the chairman and CEO)
- Employee feedback (surveys)

Group material topics matrix^A



Changes in the analysis from 2019

We've redefined certain material topics:

- Talent Management and Development includes incentives linked to ESG criteria.
- Diversity, Inclusion and Well-being includes health and welfare-related aspects.
- Financial Inclusion and Empowerment includes financial literacy.
- Simple, Personal and Fair (SPF) products and services refers to responsible practices towards customers.
- Climate Strategy covers the integration of climate change into the climate change risks & business opportunities strategy.

We've added inputs to the materiality assessment: 2020 megatrends from the World Business Council for Sustainable Development (WBCSD), social media, Net Promoter Score (NPS) drivers for customers, new employee surveys and insights from Responsible Banking workshops.

Three topics – Diversity, Inclusion and Well-being, ESG Products and Services, and Financial Inclusion and Empowerment – gained significance in 2020.

A. Issues such as food waste, light and noise pollution, and biodiversity are not material to the group.

Challenges and opportunities

Grupo Santander operates in a fast-changing world, full of new challenges and opportunities. Our materiality assessment identified two core challenges: the new business environment, and inclusive and sustainable growth. By addressing these, we embed our approach to the environment, society and governance in all we do.

Challenge 1 New business environment

Adapting to an evolving world

The economy is changing fast. Digital technology is transforming markets as well as business models. In this highly competitive environment, companies must work in new ways to ensure responsible business practices.

Santander, like all businesses, needs a motivated, diverse and skilled workforce that is able to deliver what customers want, while harnessing the power of new technology. We operate in a fastmoving highly regulated business environment. Our task is to exceed our stakeholders' expectations by doing the basics brilliantly, every day. Key to this is having a strong culture - a business in which all we do is Simple, Personal and Fair.

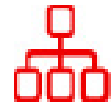

Challenge 2 Inclusive and sustainable growth

Helping society achieve its goals

Growth should satisfy the needs of today without hampering future generations' ability to meet their own. A balance should always be struck between economic growth, social welfare and environmental protection. Financial institutions can contribute to this by managing their operations responsibly, and lending responsibly to help society achieve its goals.

We can play a major role to promote inclusive and sustainable growth. 'Inclusive' means meeting customer needs, helping people open businesses and create jobs, promoting financial empowerment and getting people the education they need. 'Sustainable' means financing renewable energy and smart infrastructure and tech to tackle climate change. We take the social and environmental risks and rewards of our operations into account, contributing to greater balance in the economy and society.

Integrating ESG topics that matter into our strategy to meet the two identified challenges.

	Material topics	Impact on our value chain
Challenge 1 New business environment 	Corporate governance	Robust, diverse and transparent corporate governance leads to more responsible and sustainable strategies.
	Ethical behaviour	A strong corporate culture and policies and procedures ensure we behave ethically and safeguard all our stakeholders' interests.
	Compliance and risk management	Well-defined compliance and risk management procedures help reduce the risks an organization faces. The participation of all employees in risk management is crucial and reinforces the risk culture (Risk Pro).
	Talent management and career development	The right talent management and career development programmes inspire loyalty and cement responsible banking practices.
	Diversity, inclusion and wellbeing	A diverse workforce that reflects the make-up of society is critical to success in an ever-changing environment. Our employees Well-being must be a priority.
	Innovation and digitalization	Investing in technology puts us at the cutting edge of our industry and strengthens our value proposition.
	Customer satisfaction	Focus on customer experience drives us to improve our services and builds loyalty.
Challenge 2 Inclusive and sustainable growth 	SPF products and services	Responsible products and services tailored to customers in a way that is Simple, Personal and Fair promote inclusiveness and lasting loyalty.
	Cybersecurity and data protection	Innovative and robust cybersecurity mechanisms protect customer data and boost confidence in our business.
	Human rights	Preventing the risk of our activities having a negative impact on human rights is key to the development of a responsible business model.
	Financial inclusion and empowerment	A financial system that is accessible and understandable to all builds trust, bolsters the economy and creates new business opportunities, helping communities prosper.
	Climate strategy	Banks play a key role in the transition to a low-carbon economy by managing their financial risks and helping finance the green agenda. Our contribution is vital under the Paris Agreement framework.
	ESG products and services	Financial products and services with social and environmental value added criteria help us do business responsibly. Funding renewable energy and green initiatives better positions our bank and society to counter the effects of climate change.
	Environmental footprint	Environmental footprint reduction helps us lead the transition towards a lowcarbon economy.
Community investment	Our commitment to education and the Well-being of the communities we serve contributes to growth and progress across broader society.	

Governance and priorities

All our activity is guided by principles, frameworks and policies to ensure we behave responsibly in all we do. We revised and strengthened our responsible banking governance to help us tackle the two challenges we identified.

Core policies that integrate ESG criteria into our business model, to make us a more responsible bank

General code of conduct	Corporate culture policy ^A	General sustainability policy	Human rights policy	Environmental, social & climate change risk management Policy ^B	Sensitive sectors policy
Brings together the ethical principles and rules of conduct all Group employees must follow, and is central to our compliance function.	Establishes the guidelines and standards to ensure a consistent group culture.	Outlines our general sustainability principles and voluntary commitments aimed at generating longterm value for our stakeholders.	Sets out how we protect human rights, in line with the UN Guiding Principles on Business and Human Rights.	Details how we identify and manage environmental, social and climate change risks, in oil and gas, energy, mining and metals, and in soft commodities.	Provides guidelines for assessing and deciding on our participation in industries which carry reputational risk.

Other policies that support our responsible banking strategy

Consumer protection policy ^C	Code of conduct in security markets	Cybersecurity policy	Third-party certification policy ^D	Tax policy	Conflicts of interest policy	Financing of political parties policy	Policy on contributions for social purpose	Global mobility policy

A. Includes the Group's Diversity & Inclusion Principles and the Corporate Volunteering Standard.
 B. It replaces the sectoral policies on energy, mining and metals and soft commodities.
 C. Includes financial consumer protection principles.
 D. Includes principles on the responsible behaviour of suppliers.

 The responsible banking function's core policies can be found on our corporate website.

Policy changes in 2020



All local boards adopted our **General sustainability, Corporate culture** and **Human rights** policies.



In addition to update them as every year, we merged the policies on oil and gas, energy, mining and metals, and soft commodities into the **Environmental, social and climate change risks management policy**.



We published our **Financing of political parties policy** and the **Policy on contributions for social purpose** on our corporate website.

Strategic framework



Governance

- **The board of directors** approves and supervises the general policies and strategies on our corporate culture, values, responsible business and sustainability. It also makes sure all the group's employees act ethically by following the laws, customs and good practices of the industries and countries where we operate.
- **The responsible banking, sustainability & culture committee** assists the board with oversight of the group's responsible banking agenda and strategy.

The committee is supported by two steering groups:

- **The Culture steering group** promotes our culture, The Santander Way, is embedded in all we do and ensure consistency in corporate and local actions.
- **The Inclusive & Sustainable Banking steering group** reviews initiatives on social and financial inclusion; promotes education and training; supports the transition to a low-carbon economy; and backs investments to benefit society.



Responsible banking network

- **The corporate responsible banking unit** coordinates and drives the responsible banking agenda. A senior advisor on responsible business practices supports this unit and reports directly to the executive chairman.
- **Our subsidiaries' sustainability and culture units** execute their responsible banking agendas, ensuring they are aligned with our corporate strategy and policies. Their responsible banking governance is led by a senior manager, who is part of the group-wide Responsible banking network.
- **Guiding principles** for subsidiaries and global business units ensure our responsible banking agenda is embedded across the group.
- **The Responsible Banking network** meets every two months. In addition, the corporate responsible banking unit and local units hold regular bilateral meetings. In 2020, the network ran the second Responsible Banking workshop with responsible banking representatives from all businesses and geographies.
- **New working groups** ensure we focus, and promote collaboration on financial education, sustainable finance, climate change, simplification and other areas.



Strategic priorities: Embedding ESG in our business model

What?	How?
(E) Contribute to the Paris Agreement and a lowcarbon economy	<ul style="list-style-type: none"> → Pursuing a climate strategy that plays a part in achieving the Paris Agreement goals → Helping our customers transition to a low-carbon economy with value-added products and services to manage environmental and social risks → Minimizing our environmental footprint
(S) Have a best-in-class, inclusive proposition to maximize our social impact	<ul style="list-style-type: none"> → Cultivating a workplace that attracts and retains diverse talent → Providing value propositions to meet the needs of our broad customer base → Fostering financial inclusion and empowerment → Supporting society through Santander Universities and other community programmes
(G) Do things the right way through robust and transparent processes	<ul style="list-style-type: none"> → Promoting our strong culture, The Santander Way → Listening to our stakeholders → Applying best-in-class policies based on ethical behaviour → Ensuring sound corporate governance and risk management → Implementing Simple, Personal and Fair practices with customers and suppliers

We have 11 targets that place responsible banking at the heart of our business strategy (see section '[2020 highlights](#)' in this chapter).

2020 highlights



2020 highlights

Our 11 public commitments to build a more responsible bank

Grupo Santander works to maintain a strong culture, developed by a skilled, motivated and diverse workforce, able to deliver the right solutions for our customers' needs while improving the communities we serve. We offer financing our customers can afford and support education that increases their financial resilience. We also strive to foster the global transition to the green economy, while reducing our own environmental footprint.

In 2019, we disclosed 11 public commitments which reflect our ambitions for the responsible banking agenda. Our pledges help us integrate ESG aspects into business management, and are set out to be SMART (Specific, Measurable, Achievable, Realistic and Time-bound) so we can fulfil the UN SDGs intrinsic to our operations, and make progress towards the targets set out in the Paris Agreement on climate change.

In 2020, we made significant progress, achieving carbon neutrality and fulfilling four of our 2021 commitments one year early.

Our public commitments

	2018	2019	2020	2021	2025
Top 10 company to work for ^A	4 >>>>	5 >>>>	6 ✓	6	
Women on the board	33% >>>	40% >>	40% ✓	40%-60%	
Women in senior leadership positions ^B (%)	20% >>>	22.7% >	23.7% >	>>>>>>>>	30%
Equal pay gap ^C	3% >>>	2% >>>	1.5% >>	>>>>>>>>	-0%
Financially empowered people ^D	—————	2.0mn	4.9mn	—————	10mn
Green finance raised and facilitated ^E (EUR)	—————	19bn	33.8bn	—————	120bn
Electricity used from renewable energy sources ^F	43% >>>	50% >>	57% >>	60% >>>>>>	100%
Becoming carbon neutral in our own operations ^G		>>>>	0% ✓		
Reduction of unnecessary single-use plastics in corporate buildings and branches ^H	>>>>>>	75% >>	98% >>	100%	
Scholarships, internships and entrepreneurship programmes ^I	—————	69k	225k ✓	200k	
People helped through our community programmes ^J	—————	1.6mn	4,0mn ✓	4mn	

————— Cumulative target >>>> From... to...

A. According to external indexes in each country (Great Place to Work, Top Employer, Merco, etc.).

B. Senior leadership positions make up 1% of the total workforce.

C. Equal pay gap based on same jobs, levels and functions.

D. Unbanked, underbanked or financially vulnerable individuals receive tailored finance solutions and can increase their knowledge and resilience through financial education.

E. Includes Grupo Santander's contribution to green finance: project finance; syndicated loans; green bonds; capital finance; export finance; advisory services, structuring and other products, to help customers transition to a low-carbon economy. EUR 220bn committed from 2019 to 2030.

F. In countries where we can confirm electricity from renewable sources at properties occupied by Grupo Santander.

G. In our core geographies (G10).

H. The reported percentage takes our core geographies (G10) into account. Specific measures taken to cope with the covid-19 situation that might have involved use of plastics has not been penalized in the calculation of this percentage.

I. Beneficiaries of Santander Universities (students given a Santander scholarship will do a work placement in an SME or take part in entrepreneurship programmes Grupo Santander endorses).

J. Beneficiaries of our community investment programmes (not including Santander Universities and financial education initiatives).



We continue to tackle the new business environment...

- The corporate culture policy approved by the Group board in December 2019 was approved by all local boards in 2020.
- Our new 5-year D&I strategy raises awareness and introduces new enablers to cultivate an inclusive workforce in terms of gender, LGBTI, people with disabilities, age, ethnicity, religion and educational background.
- Our new, simple and easy-to-access escalation channel, Canal Abierto, is available in all our countries, offering full anonymity to users.
- Our new global simplification network mapped all our simplification initiatives and introduced consistent plans, KPIs and qualitative ways of measuring progress and impact.
- Our new pilot programme offers better assessment and onboarding for c. 400 core suppliers based on ESG criteria.
- Salesforce remuneration scheme: we significantly increased the weight of conduct/quality on variable remuneration (40% or more). Customer satisfaction and service quality are the basic pillars of this model.
- Thematic reviews on overdrafts, packaged accounts and revolving cards.



...and promote inclusive and sustainable growth

- We updated our climate strategy, committing to: i) aligning our power generation portfolio with the Paris Agreement by 2030; ii) stop providing financial services to power generation customers with a revenue dependency on coal of over 10% in 2030; iii) reduce our worldwide exposure to coal mining production to zero by 2030; iv) and the ambition to be net zero carbon emissions by 2050.
- Local boards approved the most recent sustainability and human rights policies.
- Our second EUR 1 billion green bond launched under our Sustainable & Green Bonds framework. We also released an initial report on the first issuance.
- We offset our all emissions from our operation, thus become carbon neutral.
- We released our first reports for the UNEP FI Collective Commitment on Climate Action.
- We joined the Green Recovery Alliance of the European Union and the Consultative Group of the Taskforce on Scaling Voluntary Carbon Markets.
- We mapped solutions and products for our new Green Book.
- Santander CIB created a new ESG team to expand our ESG solutions.
- Santander Brasil partnered with Bradesco and Itaú Unibanco on sustainable development in the Amazon.
- Our global financial education site further reinforced our financial empowerment objectives.

Member of
**Dow Jones
Sustainability Indices**

Powered by the S&P Global CSA

Member of Dow Jones Sustainability Index

The Dow Jones Sustainability Index (DJSI World) listed Grupo Santander for the 20th year in a row, with top marks in financial inclusion, crime prevention, tax strategy, customer relationship management, environmental reporting, operational eco-efficiency and social reporting. We also improved our FTSE4Good and Sustainalytics scores.



One of the world's best places to work

Great Place to Work put Grupo Santander among the world's 25 best workplaces for the second year, out of more than 10,000 organizations worldwide that ensure exceptional employee experiences and high-trust relationships rooted in fairness and equality. The institute also named us one of the Best Places to Work in Latin America.



Best bank for diversity and inclusion, and for SMEs

Euromoney gave Santander its global 'Best Bank for Diversity and Inclusion' award for the first time, in addition to our third global 'Best Bank for SMEs' award in five years. The magazine highlighted the breadth and ambition of our diversity and inclusion programmes. It also presented us with its "Excellence on Leadership" award for our covid-19 response in Europe.



Among top 10 in Bloomberg Gender- Equality Index

Grupo Santander 7th in the Bloomberg Gender-Equality Index (BGEI) scoring above average in every category. Top score achieved in equal pay and gender pay parity. The BGEI is a golden seal for companies around the world that show a firm public commitment to equality and women in the workplace through policymaking, visibility and transparency.



Top Employers 2020

Top Employers recognizes the excellent work environment of our bank in Spain, Poland, the UK and Chile, and of Santander Consumer Finance in Germany, the Netherlands, Austria, Italy, Poland and Belgium. As Santander has won awards in more than five European countries, it also received the Top Employers Europe certification.



One of the 100 most valuable brands in the world

Thanks to our work helping communities prosper in a way that is Simple, Personal and Fair, we have been recognized as the biggest bank in the eurozone and the sixth bank in Interbrand's 2020 Best Global Brands ranking.





02

Providing full support: Santander Mexico

Letter from the
Chairwoman of the
Board of Directors

Letter from the Executive President
and Chief Executive Officer
of Santander Mexico

Historical
results

Milestones

Our response to
COVID-19

Letter from the Chairwoman of the Board of Directors

(102-14, 102-15)

In mid-2020 I assumed the chair of the Board of Directors of Santander Mexico, which is an enormous source of pride to me, while also representing a challenge to continue contributing to the Bank's comprehensive and sustainable development, achieving our Responsible Banking goals, and generating value for our customers, shareholders, employees, suppliers and society in general.



(102-14, 102-15)

2020 was a year summed up by the tumultuous global panorama it provoked. The reality we are currently facing, not only in Mexico but also in other countries, in addition to presenting challenges, has forced us to transform to remain current, to take full advantage of opportunities, and to contribute to the country's economic recovery and development.

Thanks to our robust business strategy, our corporate governance, our Responsible Banking principles, and the fluid interaction between the Board of Directors and the Bank's senior management team, we quickly implemented measures to ensure the health and safety of our employees and customers, complying fully with all health protocols stipulated by the authorities. We deployed a vast network to support our customers facing extremely complex situations, and we also implemented measures to support the community in which we operate.

During this period, we continued to work on transforming the Bank and supporting development in the country, in a simple, personal and fair way, offering innovative, accessible and sustainable financial products and services. For example, we launched the first sustainable Equity Investment Fund (SAM-ESG) in Mexico, in addition to being involved in the issuance of the first Social Gender Bond in Mexico alongside FIRA (Fideicomisos Instituidos en Relación a la Agricultura).

Concurrently, from the Board of Directors and in conjunction with the Responsible Banking team, we promoted the adoption of the United Nations 2030 Agenda, including its Principles for Responsible Banking, the Principles of the UN Global Compact, and its Sustainable Development Goals (SDG). Furthermore, in Mexico, we continued following the general Grupo Santander strategy outlined by the Commission for Responsible Banking, Sustainability and Culture. All of these efforts focus on driving shared economic prosperity, social development and environmental conservation in the country.

The significance of my appointment as the first woman to chair the Board of Directors of a bank in Mexico is, without a doubt, a clear example that at Santander we promote a culture that is underpinned by diversity, inclusion and gender equality, the goal of which is to create a work environment that enables us to attract, develop and retain the best talent, in addition to driving the innovation of our products and services and the trust that our stakeholders place in us.

The role that women play within our organization and our society is of fundamental importance to Santander, which is why, in 2020, we reaffirmed our commitment to the Women Empowerment Principles (WEP's), which shows that it is our responsibility to create a more equitable society, one that promotes the development of each of its members.

As a result of our robust corporate governance structure, in addition to the commitment our board members have to the sustainability and Responsible Banking agenda, not to mention our experience and good practices that are based on Environmental, Social and Corporate Governance (ESG) benchmarks, in 2020 we were included for the first time ever on the new S&P/BMV Total Mexico ESG Index, as well as the Dow Jones Sustainability MILA Pacific Alliance Index (DJSI MILA 2020).

Finally, I would like to take this opportunity to thank, both on behalf of Santander and on a personal note, Marcos Martínez Gavica for the outstanding work he has done for almost 20 years spearheading the consolidation and expansion of the Bank and presiding over the Board of Directors from 2016 to 2020. His tremendous work has, without a doubt, positioned Santander as one of the leading banking institutions in Mexico.

I am convinced that 2021 will require companies to show greater levels of responsibility towards their employees, their customers, their shareholders, and the community in which they live and work, which is why, at Santander, we will redouble our efforts to create a fairer and freer society, contribute to environmental sustainability, and safeguard our future generations.

Laura Diez Barroso Azcárraga
Chairwoman of the Board of Directors



Letter from the Executive President and Chief Executive Officer of Santander Mexico

(102-14, 102-15)

Without a shadow of a doubt, 2020 was a year of many challenges, and one in which the pandemic put our many of our day-to-day activities to the test. However, it was also a year of major achievements, one that allowed us to demonstrate that we are up to the challenge. So, more than an obstacle, the situation we are facing has allowed us to transform and accelerate our digitalization, without preventing us from launching innovative products and services, in keeping with our mission to drive the progress of people and companies in our country.



(102-14, 102-15)

It was also a year in which we continued to consolidate our position as the Responsible Bank that we are, fully aware of the impact of everything that we do, fully committed to protecting the environment, and fully supportive of the communities in which we live and work, ensuring that, at all times, what we do will have a lasting effect and guarantee better living conditions for future generations.

As a result of the pandemic, we implemented a series of unprecedented measures, not only to safeguard the health of our employees and our customers around the country, but also to minimize the impact the pandemic has had on their finances by offering deferred loan payments, debt restructuring and other benefits.

Furthermore, at Santander we are extremely proud of the contributions we have made to our society through our strategic partners, thanks to whom we were able to donate, to name just a few, more than MXN \$15 million of medical equipment, provide support to healthcare professionals through the donation of more than 90,000 personal protection kits and 125,000 warm meals, and donate food parcels to low-income families who were not only affected by the pandemic but also by the floods in Tabasco.

In terms of financial inclusion, in 2020 Santander reached the milestone of more than 170,000 customers through Tuiio, our program offering financial services to people who do not traditionally have access to them, especially women entrepreneurs looking for loans to work, produce and improve their lives and those of their families. In 2020, Tuiio also played a key part of our role as one of the banks that channeled loans offered by the federal government to small businesses affected by the pandemic.

It is a source of pride to be the institution that most supports higher education in Mexico and in the world. In 2020, Santander offered more than 41,000 scholarships and financial assistance to students and entrepreneurs from around the country, an unprecedented number of people, thanks to the implementation of virtual scholarships as the result of lockdown.

Over the past 26 years, our Fideicomiso Por los Niños de México, Todos en Santander has donated more than MXN \$143 million to 740 organizations that provide support in the areas of health, education and child nutrition, benefitting more than 354,000 boys and girls from our country. Without a doubt, this would not be possible without the growing participation and support of our employees, who are its cornerstone.

At Santander, we are also aware that diversity and inclusion – in terms of gender, age, sexual orientation or disabilities – make us stronger and play a critical role in better understanding the societies in which we work. As a result, in 2020 we bolstered our Diversity and Inclusion Committee, and we became a signatory of Pride Connection which, in conjunction with other measures, has enabled us to make advances in achieving a culture that recognizes that we are all “Equally Different”, and that we all have something to offer to make our society more inclusive, plural and, above all, respectful.

Finally, in terms of the environmental goals contained in our Responsible Banking Agenda, which ensure that our activities today do not compromise the tomorrow of future generations, in 2020, we achieved our global commitment of becoming carbon neutral, obtaining a Certified Emission Reduction totaling 67,845 tons of CO₂. Santander also launched the SAM-ESG investment fund, the first in the country to offer sustainability criteria. We also consulted with FIRA (Fideicomisos Instituidos en Relación a la Agricultura) to help it create its sustainability policy, and we were involved in the issuance of the first gender bond in Mexico.

Thanks to our efforts in the area of responsible banking, in 2020 Santander Mexico was included for the first time ever in the Dow Jones Sustainability Index MILA Pacific Alliance Index. We were also recognized by International Finance Magazine as the best Financial Inclusion Bank in Mexico, in addition to being included on the S&P/BMV Total Mexico ESG Index and receiving the Socially Responsible Company (ESR) certification.

(102-14, 102-15)



2020 was also the year in which Marcos Martínez Gavica stepped down as Chairman of the Board of Directors. Without his dedication, professionalism and passion for Santander, we would not be in the position of leadership that we find ourselves in today. In his place, we welcomed Laura Diez Barroso Azcárraga, who became the first – and only – woman to become the Chairwoman of the Board of Directors of a financial institution in Mexico.

We would like to express our gratitude to Marcos for the more than two decades he dedicated to the Institution and for his generosity and unique vision, which will remain a lasting legacy at Santander Mexico. We would like to offer our full support to Laura, in the knowledge that we will reach the pinnacle of success thanks to her outstanding capacity, innovative perspective, and experience.

I would also like to thank our entire team for their professionalism, commitment and enthusiasm. In 2021, we will continue striving to implement even more actions that help drive development in the country, in addition to contributing to the creation of greener economies, more responsible consumer trends, and a greater social balance, all while consolidating our position as the Responsible Bank of Mexico and the world.

Héctor Grisi Checa
Executive President and Chief Executive Officer of
Santander Mexico

Historical results

Santander has a solid track record as a responsible bank...



people benefitted through **microloans** since **Tuio** started its operations¹.

tuio
FINANZAS DE TÚ A TÚ



of the **Santander Business Innovation Award (PSIE)** 37,105 entrepreneurs have taken part and **MXN \$24 million** in seed capital to **79 winning projects**.



of Fideicomiso **Por los Niños de México** we have donated more than **MXN \$143 million**, supported **740** organizations and benefitted more than **354,000 girls and boys**.

Fideicomiso
Por los Niños
de México
Todos en Santander



years, we have been awarded the **Socially Responsible Company (ESR)** award.



million have been channeled in alliance with our **Sustainable Partners** since 2003².



certified since 2003.



the United Nations Global Compact since 2012.



invested since 2005 in the **Higher Education Support Plan (PAES)**³.

Santander
Universidades

1. A total of 171,271 customers accumulated 2017-2020.

2. A total of MXN \$427,444,712.33 in the last 18 years.

3. A total of MXN \$1,688, 573,240 in the last 15 years.

Milestones:

...Now, our ambition is to go even further.

Our commitments as Responsible Banking are an example of our continuous efforts to guarantee a sustainable future for all. Our operations are carried out in an ethical and transparent manner to ensure the correct fulfillment of these commitments. We focus on promoting financial inclusion, equity, social development within communities, support education, and environmental conservation. Below, we show the progress we have made to promote compliance with the Group's global commitments:



Have at least 30%

women directors in senior leadership positions (2025).

- 15.4% of women in senior leadership positions⁴.



Offer 200,000

scholarships, internships and entrepreneur programs (2021).

- We granted 41,222 scholarships to young university students in 2020⁵.



Achieve

equal pay (2025).

- We achieved -0.6%⁶.



Eliminate unnecessary

single-use plastic from all our offices and buildings (2021).

- We reached 83% of the goal.



Help 4 million

people through a range of community investment programs (2025).

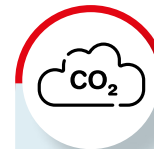
- We benefitted 64,411 people thanks to 40 social investment initiatives in 2020⁷.



Ensure that 100%

of the energy we use comes from renewable sources (2025).

- We are analyzing alternatives for purchasing renewable energy.



Be carbon neutral

in 2020.

- We offset our emissions through a "Voluntary Cancellation Certificate (CER)" issued by the United Nations Framework Convention in Climate Change.



Financially empower

10 million people (2025).

- We financially empowered 586,808⁸ people through microloans, accessibility and financial education in 2020.



Be one of the top 10

companies to work for in at least 6 of the major markets in which we operate (2021).

- We have been ranked ninth in the category of +3,000 employees, in the ranking developed by Top Companies.



Provide a total of €120 billion

in financing to help tackle climate change (2025).

- Financing for hybrid/electric cars and in 2020 we participated in the issuance of four bonds: green, social and sustainable.



Ensure

between 40% - 60% women members on our Board of Directors (2021).

- 40% of the proprietary members of the Board of Directors are women.

4. Senior leadership: Promotorio, Faro and Solaruco.

5. The cumulative advance for 2020 is 47,522 scholarships.

6. Equal pay was calculated by comparing employees from the same job, level and functions. The ideal indicator is 0%.

7. Volunteering, donations, ATM fundraising and FPNM. The cumulative figure for 2020 is 138,019 people.

8. The cumulative figure for 2020 is 835,159 people.

Our response to COVID-19

Hygiene protocols
at all our facilities.

Emotional support
hotline for employees.

+3,000 SME's
offered free training.

+500,000 customers
supported in loan payments.

MXN \$4 million
donated to TecSalud to help
implement a Convalescent Plasma
Protocol.

A COVID-19 Ethics Line
was activated as part of our Ethics Line,
allowing employees to report situations
that represent a risk to operations.

Santander X
Tomorrow Challenge to help in the
search for post-COVID-19 solutions.

Interest-free
financing or purchases made at
pharmacies, laboratories and hospitals.

6,202 food parcels
and hygiene kits for families in
collaboration with Zurich Santander.

Esto lo superamos juntos
(We overcome this together) portal.

125,000 meals
donated for medical staff in alliance
with Zurich Santander.

Remote working.

Federal Government app
to detect COVID-19, developed in conjunction
with another bank.

+90,000 items of personal
protection equipment for healthcare professionals in 27
states offered through the Contagia Solidaridad alliance.

Channeling
of Federal Government loans aimed at small
businesses.

● society

● customers

● employees



03

Issues that matter: Responsible Banking

A strong culture

Responsible Banking Model

Our stakeholders

Materiality assessment

Sustainable Development Goals (SDGs)

Awards and recognition



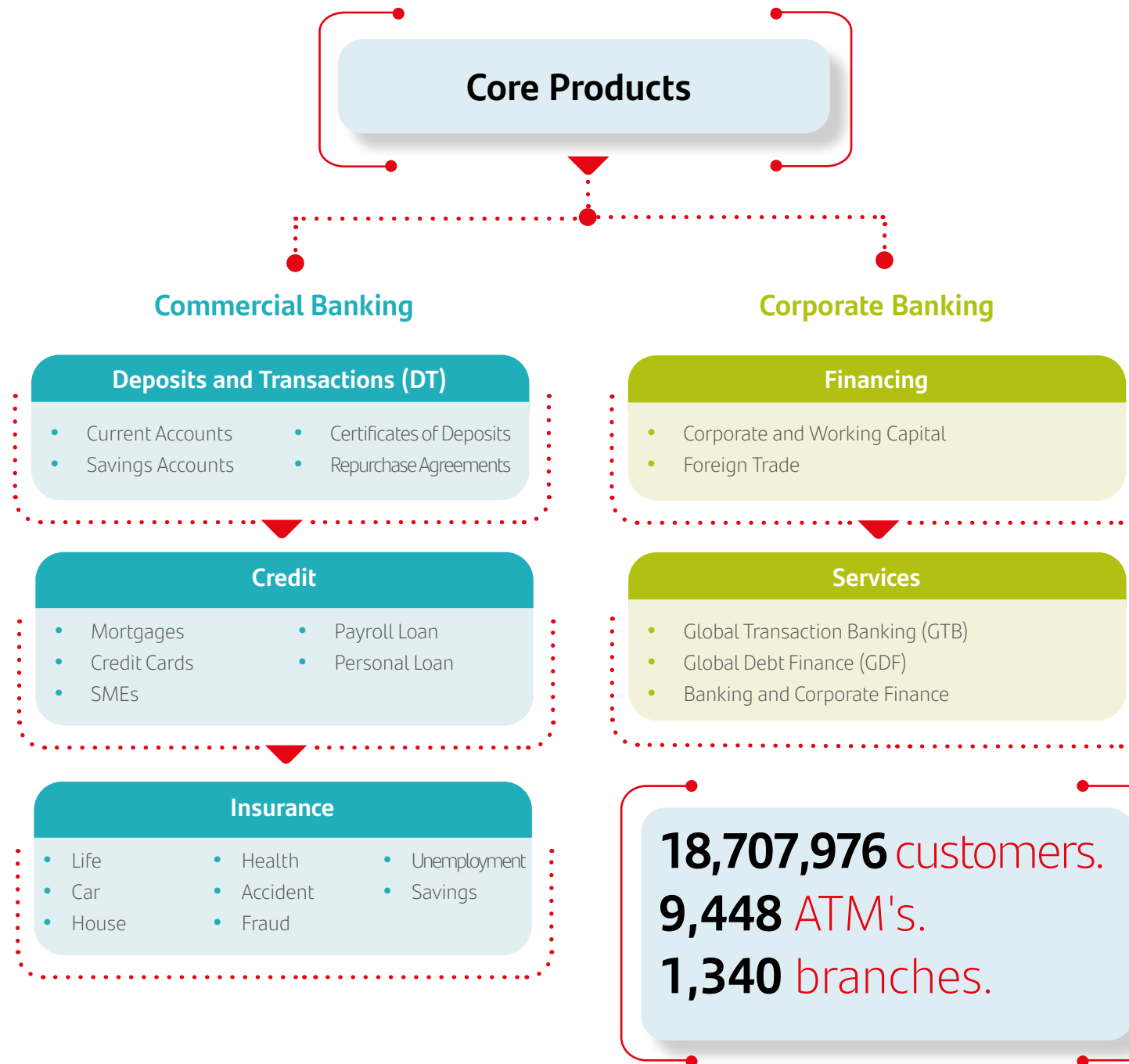
At Santander⁹ we understand the crucial role that the financial sector, and banking in particular, plays in the comprehensive, inclusive and sustainable development of people and companies, and the responsibility that this brings with it. We are fully aware that the best way to make significant contributions to the communities in which we operate is through common objectives, and we are persistent and ambitious in achieving our goals and fulfilling our mission.

9. Banco Santander México, S.A., Institución de Banca Múltiple, Grupo Financiero Santander México.

(102-2, 102-4, 102-6, 102-7)

Products and services (102-2, 102-4, 102-6)

We provide our financial products and services to various sectors of society, including manufacturing, agriculture, communications and transportation, construction, commerce, tourism and mining industries, as well as to government entities and retail portfolio, among others, throughout Mexico. We go even further with people benefitted* from our social investment. In this way we contribute to the progress of low, medium and high income individuals, SMEs and medium and high market corporations.



Shareholders

1,385 shareholders of BSMXB BMV.
3,025 shareholders of BSMX NYSE.

Capitalization** (MXN Million)

\$1,837,914 total assets.
\$1,684,080 total liabilities.
\$153,834 total equity.
\$1,837,914 total.

**Consist of liabilities and equity.

Operations

21,183 employees***.
1,350 offices.

For more information, please visit [20F](#).

*Is any person receiving a benefit of a personal, economic, or any other nature as the ultimate result of a social investment programme financed by the Bank, its employees or customers.

*** The total number of employees includes Santander's internal employees, that means, they are not outsourcing employees and are active as of December 31, 2020, it covers the categories: Administrative and Operational Staff, Managers, Deputy Directors and Directors.



A strong culture

We are committed to strategically reformulating the way in which we do business in each and every area of the Bank. We are prepared to tackle global challenges and contribute to the creation of more environmentally friendly economies, more responsible consumer patterns and a greater social balance, without losing sight of the financial stability and health of current and future generations.





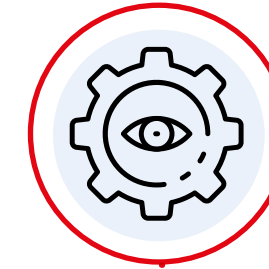
Our mission

is to help people and businesses prosper.



Our vision

is to be the best open financial services platform by acting responsibly and earning the lasting loyalty of our employees, customers, shareholders and communities.



Our global culture, **The Santander Way**, is aligned with our corporate strategy. It encompasses our mission, our vision and our way of working. It is the cornerstone of Santander - a responsible bank.

Simple

We offer customers an accessible service with simple products that are easy to understand. We use simple language and improve our processes every day.

Personal

We provide our customers with a personalized service, offering them the products and services best suited to their needs. We want each and every one of our employees and customers to feel valued and treated as an individual.

Fair

We treat our employees and customers fairly and equally, we are transparent, and we keep our promises. We create good relationships with different stakeholders because we understand that what is good for them is also good for Santander.



Our culture encompasses eight corporate behaviors. These behaviors are the hallmark of our essence and are meant to guide the way we work and how we embody the Santander brand.

Corporate Behaviors (102-16)



Show respect: "I show respect and I treat others as I would like to be treated, acknowledging and appreciating one another's differences".



Truly listen: "I listen and have empathy, to understand others' needs".



Talk straight: "I talk straight and adapt to others and the specific context, speaking out constructively".



Keep promises: "I keep my promises and I am consistent in everything I do".



Actively collaborate: "I actively encourage cooperation in order to find the best solution for customers and colleagues".



Bring passion: "I bring passion and energy and I give my best to earn the lasting loyalty of my customers and colleagues".



Support people: "I give support to people in their development, providing feedback and appreciating their contribution".



Embrace change: "I embrace change, bringing innovative solutions and learning from mistakes".



Leadership Commitments (102-16)

Leadership is of fundamental importance in ensuring the success of any cultural change.

We promote a culture of leadership at all levels throughout the institution, allowing us to prosper in a firm and sustained manner.

We have outlined the following commitments:

1. Being open and inclusive.



2. Inspiring and executing transformation.



4. Encouraging the team to prosper.



3. Leading by example.



Responsible Banking Model

The Principles for Responsible Banking launched in 2019 by the United Nations Environment Programme Finance Initiative (UNEP FI) have been designed to help banks strategically align their business with the Sustainable Development Goals that the world has set at an international, regional and national level.



(102-16)

One year after Banco Santander became a signatory and founding member of these Principles, we are reaffirming our commitment to work alongside the authorities and society, in addition to partnering with our clients, especially those who are most vulnerable at times of difficulty, to make our country, and the world, a better place to live.

We have a global governance structure spearheaded by the Responsible Banking, Sustainability and Culture Committee, whose job it is to supervise the Group's Responsible Banking strategy, focusing on two major challenges: the New Business Environment, and Inclusive and Sustainable Growth. This committee is also tasked with implementing and analyzing all policies relating to this area.

The purpose of these two challenges is to focus on:

- **Supporting** our customers' transition to a low-carbon-emission economy.
- **Promoting** financial inclusion and empowerment.
- **Maintaining** a robust culture that is underpinned by a trained, motivated and diverse workforce in order to offer tailor-made solutions that cover our customers' needs.
- **Improving** the communities in which we operate.
- **Promoting** education to drive financial resilience.
- **Driving** the transition to a green economy.
- **Reducing** our environmental footprint.

Based on our global culture, Santander's Mexico Responsible Banking Model comprehensively focuses on generating value for our stakeholders, who are defined in our virtuous circle, which is part of our on-going efforts to meet the Responsible Banking Agenda based on our two challenges.


(102-16)

Consistency between our operations and our commitment to the 2030 Agenda for Sustainable Development and the Paris Agreement on Climate Change enables us to report our results regarding compliance with the [six Principles of Responsible Banking](#) outlined below.




Principle 1: Alignment

We will align our business strategy to be consistent with and contribute to society's goals, as expressed in the Paris Climate Agreement, the Sustainable Development Goals, and relevant national and regional frameworks. This has enabled us to identify areas in which we can have a more significant impact.



Principle 2: Impact and Target Setting

We will continuously work to identify and assess opportunities and risks to people and the environment resulting from our activities, products and services to increase our positive impacts while reducing any negative impacts.



Principle 3: Clients and Customers

We will work responsibly with our clients and our customers to encourage sustainable economic practices and support the development of their financial management skills to create shared prosperity for current and future generations.




Principle 4: Stakeholders

We will proactively and responsibly identify and consult with stakeholders who are directly or indirectly affected by the Bank's commercial decisions and practices, engaging and partnering with them to achieve society's goals.



Principle 5: Corporate Governance and Culture

We have implemented, through robust Corporate Governance, effective management systems and policies to help integrate sustainability goals into each of the Bank's processes, thereby consolidating our culture of Responsible Banking.



Principle 6: Transparency and Responsibility

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

A better bank for a better world.



Our stakeholders

(102-40, 102-42)










We undertake our activities with a clear focus on ensuring our results have the most positive impact possible on all our stakeholders, whom we have defined based on our global strategy contained in our General Sustainability Policy. Our stakeholders are Employees, Customers, Shareholders, Investors, Suppliers, Authorities, Regulators, Supervisors and Civil Society Organizations.
















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Comprehensive engagement with each of our stakeholders allows us to achieve our goals. Below is a list of the channels through which we communicate and collaborate with our stakeholders to forge and consolidate better relations, in addition to the frequency of contact.







(102-43)

Stakeholder	Communication Channel	Contact frequency
 Employees	Complaint System.	
	Ethics Line.	
 Customers	Branch Communication Channels, Digital Channels and Advertising, Support through Offices, Contact Center and Social Networks.	
	Santander Customer Ombudsman.	
 Civil Society Organizations	Annual Call Fideicomiso Por los Niños de México, Todos en Santander.	 / 
 Authorities	Presentation and Publication of Reports based on the Regulations of the Stock. Exchanges on which the Santander Mexico's Shares are listed.	

(102-43)

Stakeholder	Communication Channel	Contact frequency
 Shareholders / Investors	Annual Report (Financial).	
	Shareholder Report.	 / 
	Shareholder Support Line: 55 5269 2275. Shareholder and investor website: https://www.santander.com.mx/ir/home/ Shareholder e-mail: accionistas_mx@santander.com	
	Investor e-mail: investor@santander.com.mx	
	Financial Data Reports and Presentations.	
 Suppliers	Local Procurement Committee.	
	Procurement Platform (Aquanima) and Information on Website.	
 Regulators/ Supervisors	Publication of financial and non-financial information. Responses to questionnaires.	 / 

*Regular: Channel with a pre-established frequency
*Constant: Uninterrupted channel of communication

 **Regular**
  **Quarterly**
  **Annual**
 **Constant**
  **Semi annually**
  **Bi-annually**

Materiality assessment

During 2020, we undertook a materiality study to identify those topics that help drive sustainability within Santander Mexico from an economic, social, environmental and ethical perspective. We focus our actions on ensuring that our business is both profitable and sustainable while generating value for our stakeholders and the community in general.



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(102-43, 102-44, 102-47)

Based on GRI Standards recommendations, we implemented the following process:



Identification

of topics to be communicated from an economic, social, environmental and ethical perspective.



Prioritization

of relevant topics found during the preliminary stage in order to identify material topics.



Validation

of results from previous stages with the Sustainability Committee.



Review

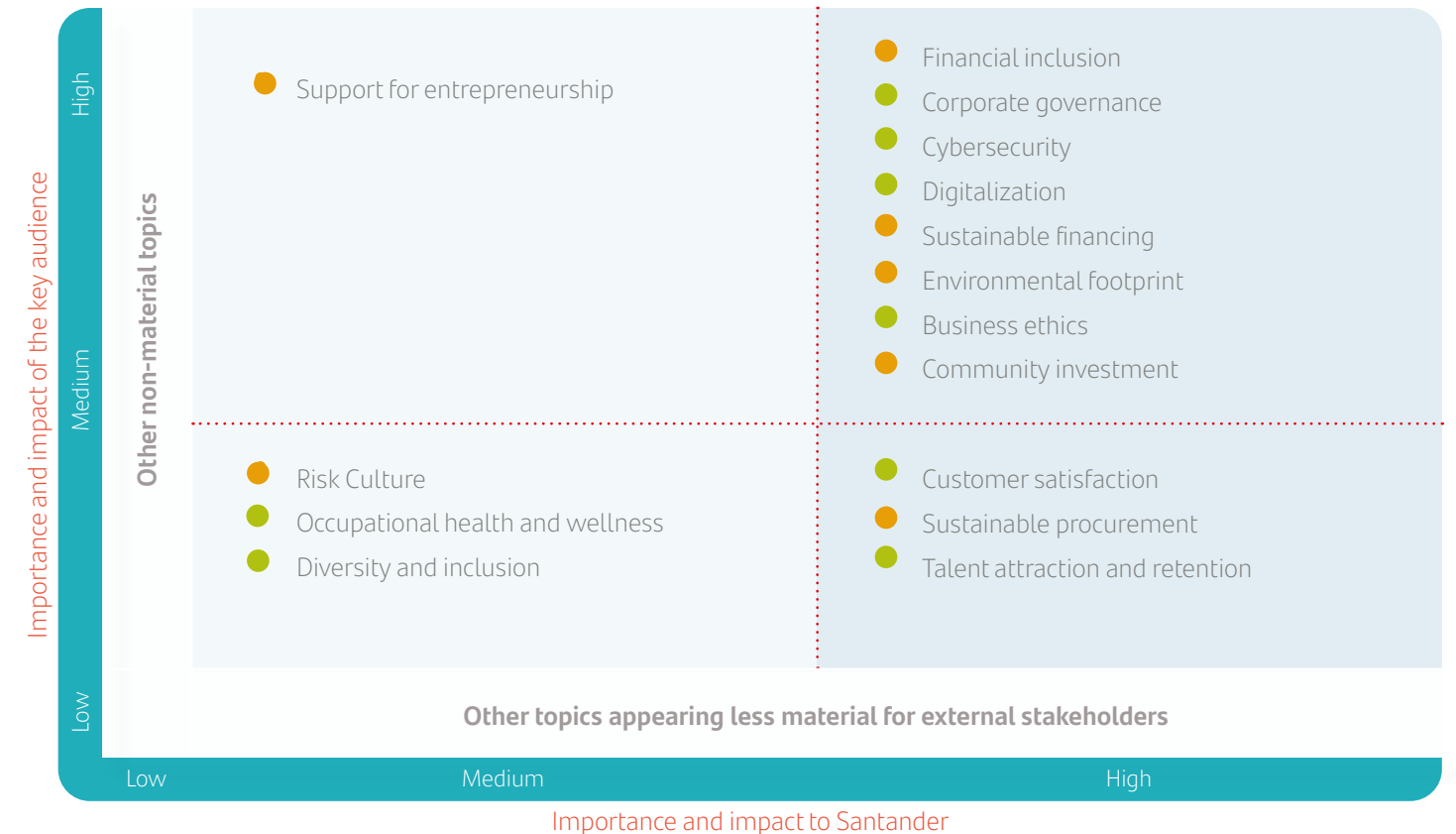
of topics we consider to be material for the drafting of the Responsible Banking Report.

The methodological model used for this study encompasses the following areas:

- **Review** of the Group's Responsible Banking strategy.
- **Review** of the Annual Report and the results from Santander Global's materiality study.
- **Alignment** with international programs, the 2030 Agenda and global sustainability indices.
- **Comparative study** with other companies from the finance sector and leaders in the area of sustainability.
- **Review** of external and internal press releases.
- **Dialogue** with stakeholders based on:
 - » 38 surveys answered by Civil Society Organizations.
 - » 549 surveys answered by employees.
 - » 371 surveys answered by suppliers.
 - » 12 corporate questionnaires.
 - » 22 corporate interviews.
 - » Analysis of pre-existing and recent customer studies and references.

The topics identified in this study were categorized based on their relevance to the business strategy, the value they generate for our stakeholders, and their presence within the information sources consulted. As a result, 15 material topics were identified:

1. **Customer satisfaction**
2. **Talent attraction and retention**
3. **Cybersecurity**
4. **Business ethics**
5. **Support for entrepreneurship**
6. **Diversity and inclusion**
7. **Digitalization**
8. **Sustainable financing**
9. **Risk Culture**
10. **Corporate governance**
11. **Environmental footprint**
12. **Financial inclusion**
13. **Community investment**
14. **Sustainable procurement**
15. **Occupational health and wellness**



● **New Business Environment**

● **Inclusive and Sustainable Growth**

Sustainable Development Goals (SDGs)

(102-12)

We are aligned with the Sustainable Development Goals, an international framework that encompasses global challenges that we must overcome to create a better future and contribute directly to the central and transformative promise of the 2030 Agenda of leaving no-one behind.



Alliance Santander - Fundación ALSEA beneficiaries.

The major SDG on which our activities and investment 2020 have the most impact:

MXN \$177 million
in social investment.



156,542

microloans granted.



64,411

people helped.



6,202 food parcels donated,

benefitting 31,010 people in alliance with Zurich Santander.



14

nutrition projects benefitting 2,344 minors, supported by Fideicomiso Por los Niños de México.



Banco Santander

is the **leading private sector supporter** of higher education in the world.



41,222 scholarships

through Santander Universities.



26 education projects,

benefitting **5,692 minors**, supported by Fideicomiso Por los Niños de México.



4,764 young people and teachers

benefited through the Bécalos, UNICEF and Escuela SER programs.



+MXN \$15 million invested

to support the National Institute for Respiratory Diseases (INER), in conjunction with Zurich Santander.



33 healthcare projects,

benefitting 5,042 minors, supported by Fideicomiso Por los Niños de México.



125,000 food rations in support

of the personnel of the National Institute for Respiratory Diseases (INER) and the National Institute of Medical Sciences and Nutrition "Salvador Zubirán" in alliance with Zurich Santander.



Cancer treatments for **452** minors,

in conjunction with Casa de la Amistad.



MXN \$4 million

invested in convalescent plasma, in conjunction with TecSalud.



BeHealthy program

for employees.



Women make up **55%**

of our workforce.



40% of the members of our Board

of Directors are women.



We participated in

the **issuance of first Social Gender Bond in Mexico** to drive the financial independence of women within the agricultural sector.



We have a gender pay

equity of **-0.6%**, and our goal is to reduce this to practically 0 by 2025.



Santander Women

in **Science scholarships**.



92% of active customers

supported through *Tuio* are women.



We promote female talent

through our **Cross Mentoring, Women Masterminds** and **360° Women programs**.



We extend maternity

and **paternity leave**.



We participated in the issuance of a VINTE 20X Sustainable Bond, earmarked for the financing of projects focusing on the development of sustainable communities that help reduce energy use within the residential sector.



My Goals (MisMetas) by Santander received a **Platinum award**, the highest possible accolade of its kind in Financial Innovation in Mexico, from Fintech Americas.



5 million digital customers.

66,253 new unique Tuiio customers in 2020.



238,184 people impacted

through the **Federal Government's** program to accredit microentrepreneurs affected by the pandemic.

4,413 new hires.

2,307 employee promotions.

944,476 training hours for employees.

15 editions of the Santander Award for Business Innovation (PSIE).

Santander X is the biggest university entrepreneurship ecosystem in the world.

9th place in the **+3,000 employee category** in the **Top Companies** ranking and **10th** in the **+500 employee category** in the Super Workplaces ranking published by Top Companies.



26,769 access points located throughout Mexico, including remote or sparsely populated areas.

1 social infrastructure project.



Environmental footprint:
34% reduction in paper waste;
8% in internal energy use;
11.3% in total CO₂ in 2020.



We have an **Environmental Management System**.



Recertified in **ISO 14001:2015**.



8% decrease in **energy use compared to 2019**.



We offset our **carbon emissions in 2020**.



+MXN \$100 million in loans for hybrid/electric cars



85% of the paper we use comes from sustainable forests.



MXN \$1,905,570 raised via ATM's for Reforestamos Mexico.



Santander-Reforestamos **2020 award for 13-year partnership**.



Alliance with Reforestamos México.

Regulatory training



on the General Code of Conduct, Prevention of Money Laundering and Anti-Corruption for all our employees.

We published our



Human Rights policy that guarantees respect and safety for all.

We are part of **sustainable**



benchmarks that highlight our transparency.



We actively **participate in**



and form part of major initiatives and working groups at both a local and international level.

Signatories of **17** sustainable development national and international initiatives and indices.



Awards and recognition



(102-12, 102-13)

Dow Jones Sustainability MILA Pacific Alliance Index

Given our outstanding performance in the areas of Sustainability and Responsibility, Banco Santander México was included for the first time ever on the Dow Jones Sustainability MILA Pacific Alliance Index (DJSI MILA 2020), which is Dow Jones' index for companies in Latin America that employ sustainable practices.

We are the only bank in Mexico to be included in the S&P Global Sustainability Yearbook 2021 thanks to the advances made in our practices based on environmental, social and corporate governance criteria. We were also awarded the Industry Mover badge for having improved on our score from last year, in addition to recording the most improvements within the financial sector.

S&P/BMV Total Mexico ESG Index

In conjunction with the Mexican Stock Exchange (BMV), we are part of the new S&P Dow Jones Indices (S&P DJI), the goal of which is to promote the Mexican stock market while significantly endorsing ESG performance (Environmental, Social and Governance).

FTSE4Good Index

For the third consecutive year, we have been included on the FTSE4Good Index as Santander Mexico.

Best Private Bank by Euromoney

For the third year in a row, Santander Private Banking was chosen as the best Private Bank in Spain and Mexico. Our commitment to Responsible Banking has been reaffirmed by winning the Best Private Banking - ESG award, as a result of its focus on environmental, social and corporate governance criteria and high-impact investment in Latin America, Chile, Mexico, Portugal and Spain.

Socially Responsible Company Award (ESR)

We were presented with the Socially Responsible Company (ESR) award for the 16th consecutive year by the Mexican Center for Philanthropy (CEMEFI) and the Alliance for Corporate Social Responsibility (AliaRSE). Tuio, the Group's financial inclusion division, also received this award.

Top Ten Super Companies 2020

We have been ranked ninth in the Super Companies 2020 rating, which is published by *Expansión* magazine, in the category of +3,000 employees, making us the highest ranked bank on this list. This ranking is developed by Top Companies.

100 Companies with the Best Corporate Reputation in Mexico by Merco

We are part of ranking of the 100 Companies with the Best Corporate Reputation in Mexico, published by *Monitor Empresarial de Reputación Corporativa (Merco)*. In 2020, we climbed 3 places (from 16th to 13th).

Best Private Bank in Mexico by The Banker

The Banker magazine presented Santander Private Banking with the Best Private Bank in Mexico award for the first time ever. Furthermore, and as a clear example of the Group's solid position in the region, Santander Private Banking was presented with a Highly Commended award for Latin America.

2020 Santander - Reforestamos México Award

In 2020, Reforestamos México recognized Santander's 13-year partnership to promote sustainable development of forests and communities.

Best Bank for Financial Inclusion in Mexico by International Finance Magazine

International Finance Magazine presented us with the Best Bank for Financial Inclusion in Mexico award for our Tuio program.

LINKERS Project Highly Commended by COPRED

The Council for the Prevention and Elimination of Discrimination in Mexico City (COPRED) held the first Best Practices in Workplace Inclusion competition, and our LINKERS Project was one of the Highly Commended entries.

ISO 14001:2015

We have been certified in this international Environmental Management Systems standard at our:

- Corporate headquarters in Santa Fe since 2004.
- Facilities in Querétaro – CTOS, Data Center II and Contact Center – since 2018.
- Corporate offices in Patio Santa Fe, which received this certification for the first time in 2020.

Platinum Award for the My Goals (Mis Metas) program by Fintech Americas

For the second consecutive year, we have been presented a Platinum Award – the highest honor for Financial Innovation in Mexico - by Fintech Americas, a community specializing in financial transformation in Latin America, for the development of our My Goals (Mis Metas) technology, which is the first behavioral-science based tool to promote savings. The platform, which, forms part of the Bank's app, was selected from more than 100 innovations presented by banks and financial institutions from 20 countries covering a wide variety of innovation and transformation projects.

(102-12, 102-13)

My Goals also won Gold in the Disruptive–Americas category, presented by Fintech Americas for promoting behavioral-science based savings.

Contact Center named Super Place to Work 2020

For the first time ever, our Contact Center was named a Super Place to Work (Súper Espacio de Trabajo), ranking in the top 10 companies with +500 employees. This award means that we now have another Super Place to Work within Santander, alongside Spotlight, our Digital Factory, which won this distinction last year. This award is presented by *Expansión* magazine, Top Companies and WeWork.

Héctor Mancera: one of the 41+1 LGBT+ Executives

Santander Mexico has appeared on this list for the first time after *Expansión* magazine named Héctor Mancera, Director of Individual Loans and Digital Products at Tuio, our financial inclusion division, as one of the most influential 41+1 LGBT+ Executives in the community.





04

Corporate Governance

Structure

Association

Risk management

Business ethics



Santander Mexico's Corporate Governance structure is solid enough to ensure compliance with the necessary regulatory requirements to generate value for our employees, customers, shareholders and society in general. We focus on bolstering and developing our government through standards and procedures that contribute to achieving the Bank's goals.

Structure

(103-2, 103-3)

Through ethical corporate practices, we have consolidated our Corporate Governance structure, which has enabled us to tackle constant challenges and global changes in order to meet the needs of our current and future customers.

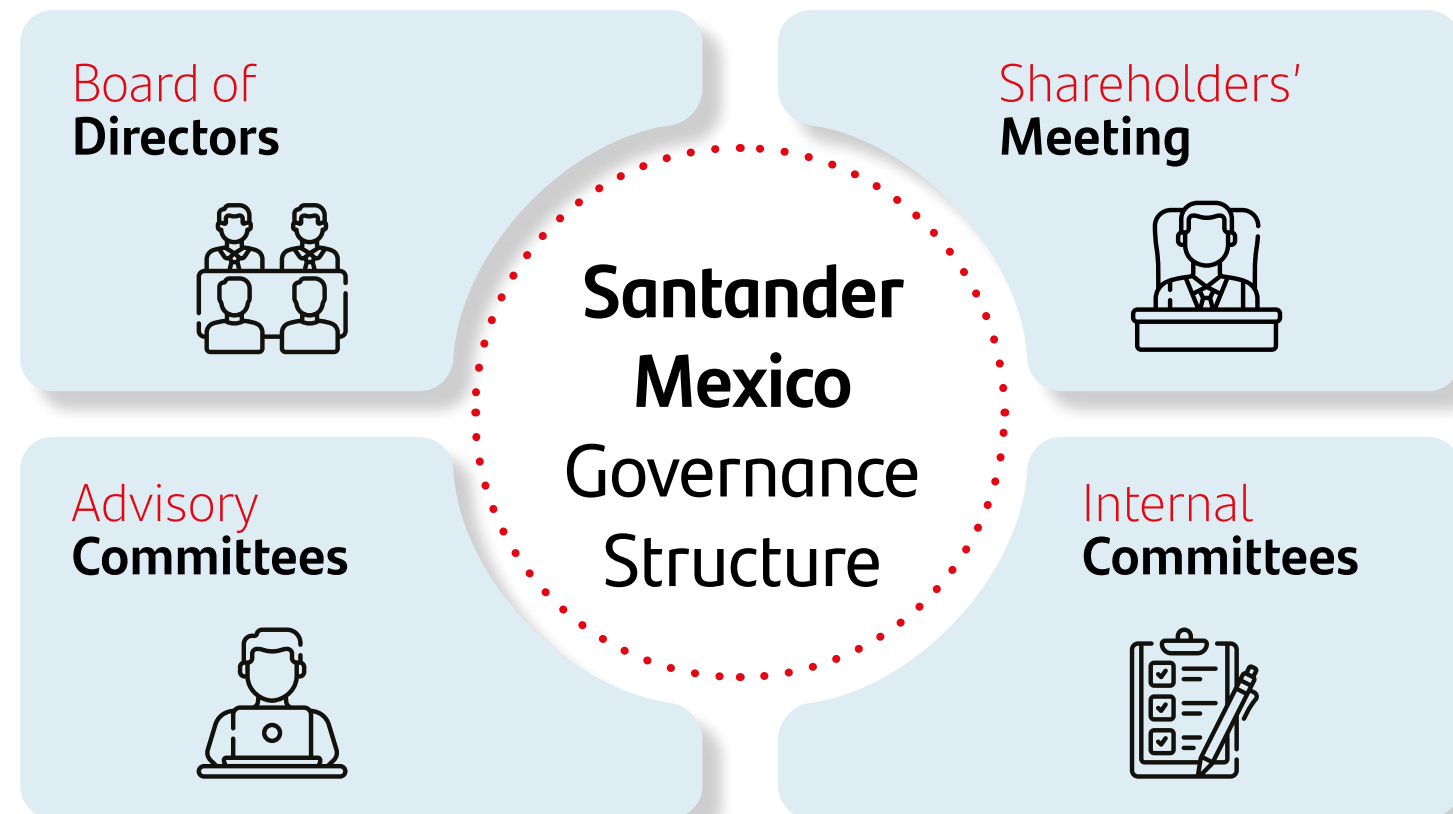


Our Corporate Government tasks with effectively safeguarding the interests of all our stakeholders, in addition to providing accurate and transparent information regarding the Bank's performance and results. Our operations are aligned with the highest global sustainability standards, in addition to both local and corporate best practices.

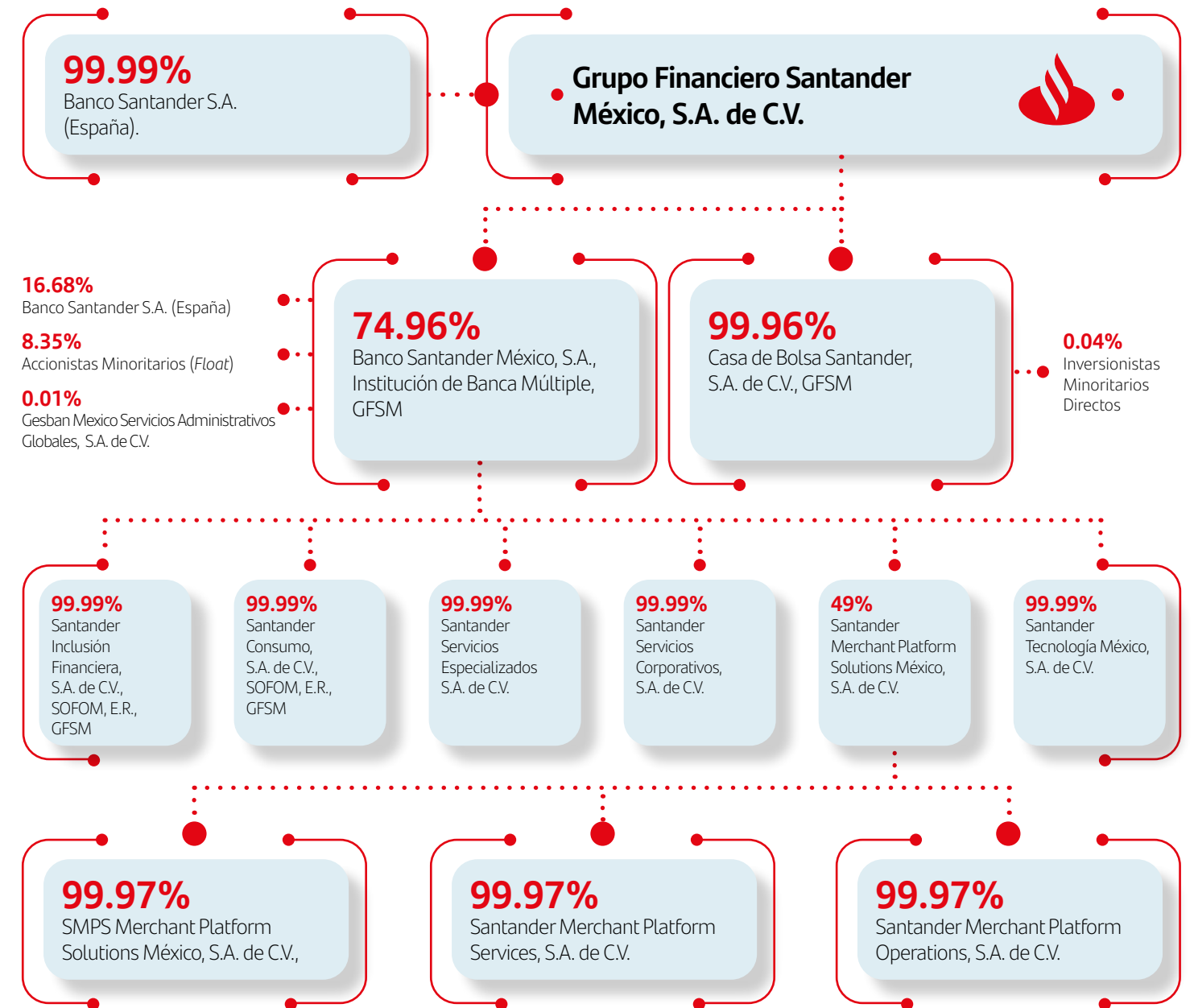
The Board of Directors and its Committees are responsible for monitoring, authorizing and reviewing all operations governed by Santander Mexico's regulatory framework. They are also responsible for ensuring the company's resources are used responsibly.



 **40%**
of the proprietary members of the Board of Directors are women.



Ownership Structure of Grupo Financiero Santander México, S.A. de C.V. where Banco Santander México, S.A., Institución de Banca Múltiple, Grupo Financiero Santander México* is part of. (102-5, 102-10, 102-45)



*On March 13, 2020, the Bank acquired 49% of the shares representing the capital stock of Santander Merchant Platform Solutions México, S.A. de C.V. (formerly, Elavon Mexico Holding Company, S.A. de C.V.). Santander Merchant Platform Solutions, S.L., a subsidiary of Banco Santander (Spain) acquired the remaining 51% of the capital stock. The total value of this operation was MXN \$1.906 billion. See Note 1 of our Financial Statements for further information. The subsidiaries entities of Elavon México were renamed as follows: Santander Merchant Platform Solutions México, S.A. de C.V., SMPS Merchant Platform Solutions México S.A. de C.V., Santander Merchant Platform Services S.A. de C.V. and Santander Merchant Platform Operations, S.A. de C.V. On September 30, 2020, Banco Santander México and Santander Vivienda entered into a merger agreement providing for the merger by absorption of Santander Vivienda by Banco Santander México. Consequently, Grupo Financiero Santander México, amended its bylaws and Liability Agreement on October 27, 2020, in order to provide the termination of Santander Vivienda as a financial entity of the Financial Group. On October 14, 2020, we received authorization from SHCP to incorporate Openbank Santander México, S.A. de C.V., Sociedad Financiera de Objeto Múltiple, Entidad Regulada (Openbank) as a subsidiary of the Bank. On November 16, 2020, Banco Santander Parent began the process of obtaining the applicable authorizations to operate Openbank as a commercial bank. This entity is not currently operating.

(102-18)

Board of Directors

The Board of Directors monitors the most relevant social, environmental, economic and ethical topics, in addition to analyzing impacts, risks, opportunities and material topics. During each board meeting, minutes are taken to help follow up on the agreements reached. The goal of this process is to identify the most important sustainability topics within the Bank, in addition to guaranteeing operations are undertaken correctly.

The Board of Directors has no direct contact with its stakeholders; however, it is tasked with coordinating stakeholder affairs, in addition to the administration and decision-making process with regard to the risks and opportunities we face.

Our Board of Directors is currently composed of 20 members: ten Proprietary and ten Alternate members. The Board of Directors is responsible for assigning members to Committees.

In 2020, the Board of Directors met on 8 occasions, on the following dates: January 30, March 18, April 1, April 8, April 23, June 18, July 23 and September 25.

The Board of Directors is comprised of the following committees, more information about which will be provided later:

Committees of the Board of Directors

Audit **Committee (CA).**

Remuneration **Committee (CR).**

Corporate Practices, Nomination and Remuneration **Committee (CAIR).**

Comprehensive Risk Management **Committee (CPSNC).**



The appointment of Board Members is ratified on a yearly basis by the General Shareholders' Meeting by means of a regulated process that substantiates the technical capacity, honorability, satisfactory credit rating, knowledge and financial experience of each member.

In 2020, after presiding over the Annual Shareholders' Meeting, Marcos Martínez Gavica, announced his retirement after 23 years at the Institution. He was the first CEO of the Bank, and it was thanks to him that Grupo Financiero Santander México prospered after the merger of Santander Mexicano and Serfin.

The announcement of Laura Diez Barroso Azcárraga's appointment to the Board of Directors was made, and she is now the Chair – she is the first women to occupy this post at any bank in Mexico. She has more than 25 years of experience in management positions and has been a member of the Board of Directors at major companies. Her wide ranging experience and well-rounded business knowledge play an important part in achieving our Responsible Banking goals.

Appointment of Members of the Board of Directors

1. Appointment

A coordinated process between the Local and Group Nominations Committees, it encompasses a proposal by Mexico that is validated by the Group Nominations Committee, before being approved by the Shareholders' Meeting. Minority rights are respected.

2. Members

Between 7 and 15 Board Members, who serve a tenure of three years with the opportunity to be re-elected annually in compliance with the criteria outlined in the Grupo Santander Suitability Policy.

3. Sessions

Six sessions per year lasting a maximum of five hours, including an extended session to focus on business strategies.

4. Assessment

Annual assessment of the Board of Directors.

5. Compensation

To be proposed by the Chair of the Board of Directors of Santander Mexico, ratified by the Group Remuneration Committee, validated by the Corporate Practices, Nominations and Remuneration Committee in Mexico, and approved by the Shareholders' Meeting in Mexico.

6. Issues

- Strategies.
- Structure and capital.
- Financial and communication reports and situation.
- Appointment, removal and remuneration of officers.
- Risks and Compliance and Conduct.
- Board succession plan.
- Supervision of compliance with Corporate Governance policies.
- Operation with interested parties.
- Conflicts of interest.
- Internal governance.

7. Lead Independent Director

The Board will appoint a Lead Independent Director in the event that the Chair of the Board of Directors is not Independent. The Lead Director will act as a "sounding board" for the Chair, serve as a trusted intermediary for the Non-Executive Directors, and, assume the following responsibilities:

- Coordinating the Independent Directors.
- Guaranteeing that the discussions and decisions adopted by the Board are based on accurate and comprehensive information and proposals.
- Being prepared and being willing to enter into constructive debate and help develop and evaluate strategy proposals made by executives.
- The Lead Independent Director will have the faculties to:
 1. Add new items to the Agenda of a meeting of the Board that has been convened.
 2. Coordinate and organize meetings with Independent Directors.
 3. Lead the regular assessments of the Chair of the Board of Directors.
 4. Participate in coordinating the succession plan for the Chair of the Board of Directors.

The Board of Directors is organized in the following manner:

(102-18, 102-22, 405-1)

Name	Age	Executive or Non- Executive	Independence	Years on the Board	Committee Members	Gender (M/F)
Laura Renee Diez Barroso Azcárraga	69 years	No Executive F Series	Chairwoman of the Board of Directors/ Independent Proprietary	8 months	Board of Directors, CAIR	F
César Augusto Montemayor Zambrano	61 years	No Executive F Series	Independent Proprietary	11 months	Board of Directors, CAIR	M
Bárbara Garza Lagüera Gonda	60 years	No Executive F Series	Independent Proprietary	1 year	Board of Directors	F
Juan Gallardo Thurlow	73 years	No Executive F Series	Independent Alternate Proprietary	7 years	Board of Directors	M
Guillermo Jorge Quiroz Abed	67 years	No Executive F Series	Independent Alternate Proprietary	2 years	Board of Directors, CA, CAIR	M
Eduardo Carredano Fernández	69 years	No Executive F Series	Independent Alternate Proprietary	23 years	Board of Directors, CA, CPSNC, CR	M
Héctor Blas Grisi Checa	54 years	Executive F Series	Non Independent Proprietary	5 years	Board of Directors, CAIR	M
Magdalena Sofía Salarich Fernández de Valderrama	63 years	Executive F Series	Non Independent Proprietary	1 year	Board of Directors	F
Francisco Javier García-Carranza Benjumea	49 years	Executive F Series	Non Independent Proprietary	2 years	Board of Directors	M
Ángel Rivera Congosto	54 years	Executive F Series	Non Independent Alternate	5 years	Board of Directors, CAIR	M
Didier Mena Campos	50 years	Executive F Series	Non Independent Alternate	2 years	Board of Directors, CAIR	M
Rodrigo Brand de Lara	48 years	Executive F Series	Non Independent Alternate	2 years	Board of Directors	M
Antonio Purón Mier y Terán	68 years	Non Executive B Series	Independent Proprietary	11 years	Board of Directors, CA, CPSNC, CR	M
Fernando Benjamín Ruíz Sahagún	77 years	Non Executive B Series	Independent Proprietary	17 years	Board of Directors, CA, CPSNC, CR	M
Alberto Torrado Martínez	57 years	Non Executive B Series	Independent Proprietary	11 years	Board of Directors, CPSNC, CAIR	M

(102-18, 102-22, 405-1)

Name	Age	Executive or Non- Executive	Independence	Years on the Board	Committee Members	Gender (M/F)
María de Lourdes Melgar Palacios	58 years	Non Executive B Series	Independent Proprietary	2 years	Board of Directors	F
Jesús Federico Reyes Heróles González Garza	68 years	Non Executive B Series	Independent Alternate	11 years	Board of Directors, CPSNC	M
Rogelio Zambrano Lozano	64 years	Non Executive B Series	Independent Alternate	2 years	Board of Directors	M
Guillermo Francisco Vogel Hinojosa	70 years	Non Executive B Series	Independent Alternate	4 years	Board of Directors	M
Joaquín Vargas Guajardo	66 years	Non Executive B Series	Independent Alternate	11 years	Board of Directors, CAIR	M

The acronyms in Spanish are: Audit Committee (CA); Remuneration Committee (CR); Comprehensive Risk Management Committee (CAIR); Corporate Practices, Nomination and Remuneration Committee (CPSNC).

Members of Committees who are not members of the Board of Directors:

Name	Executive or Non- Executive	Independence	Committee Members	Gender (M/F)
Ricardo Alonso Fernández	Executive	Non Independent	CAIR, CR	M
Fernando Borja Mujica	Executive	Non Independent	CAIR	M
Juan Ramón Jiménez Lorenzo	Executive	Non Independent	CAIR, CR	M
Juan Ignacio Echeverría Fernández	Executive	Non Independent	CR	M
Emilio de Eusebio Saiz	Executive	Non Independent	CAIR, CR	M

The acronyms in Spanish are: Audit Committee (CA); Remuneration Committee (CR); Comprehensive Risk Management Committee (CAIR); Corporate Practices, Nomination and Remuneration Committee (CPSNC).



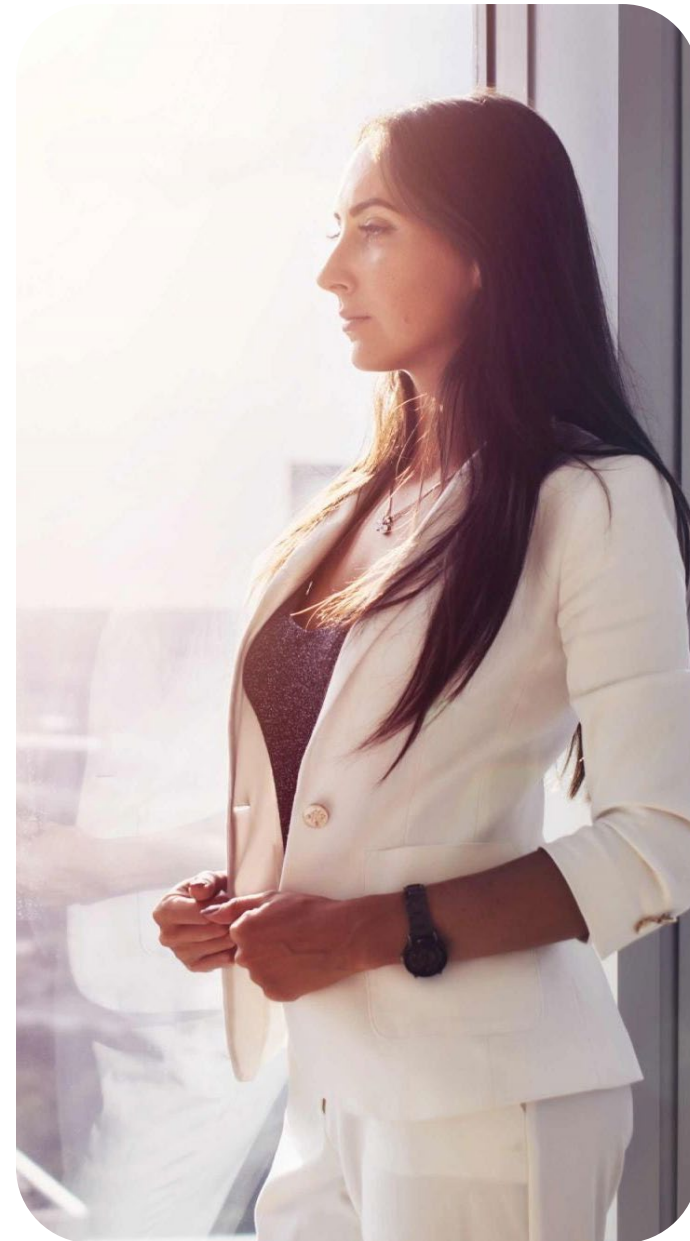
100%

of Directors completed a self-assessment.



100%

of our Directors were informed and trained in the General Code of Conduct (GCC).



Committees of the Board of Directors (102-18)

The Board of Directors appointed four committees specializing in economic, social, ethical and legal issues in order to ensure the Bank's operations and practices are carried out effectively, responsibly and transparently. These Committees are tasked with regulating the Bank's activities and ensuring we meet our Responsible Banking goals.

Every year, four sessions are held, in addition to an extended session to cover a range of business strategies and other issues.

The composition of the four committees is outlined below:

Remuneration Committee (CR)

In 2020, the Remuneration Committee met on four occasions: January 23, April 21, July 16 and November 19.

Functions:



Responsibilities of the Committees

The decision-making process for economic, environmental and social issues is undertaken by the Committees that form part of the Board of Directors, the Remuneration Committee, the Audit Committee, the Comprehensive Risk Management Committee and the Corporate Practices, Nomination and Remuneration Committee. Furthermore, the identification, analysis and monitoring of issues and decisions relating to the financial group are undertaken by the Board Committees (Regulatory Committees), which support the Internal Committees. These bodies work together to ensure the optimal operation and decision-making of the Regulatory Committees.

Audit Committee (CA)

In 2020, the Audit Committee met on seven occasions: January 27, February 26, March 18, April 20, June 15, July 20 and September 2.

Functions



(102-18)

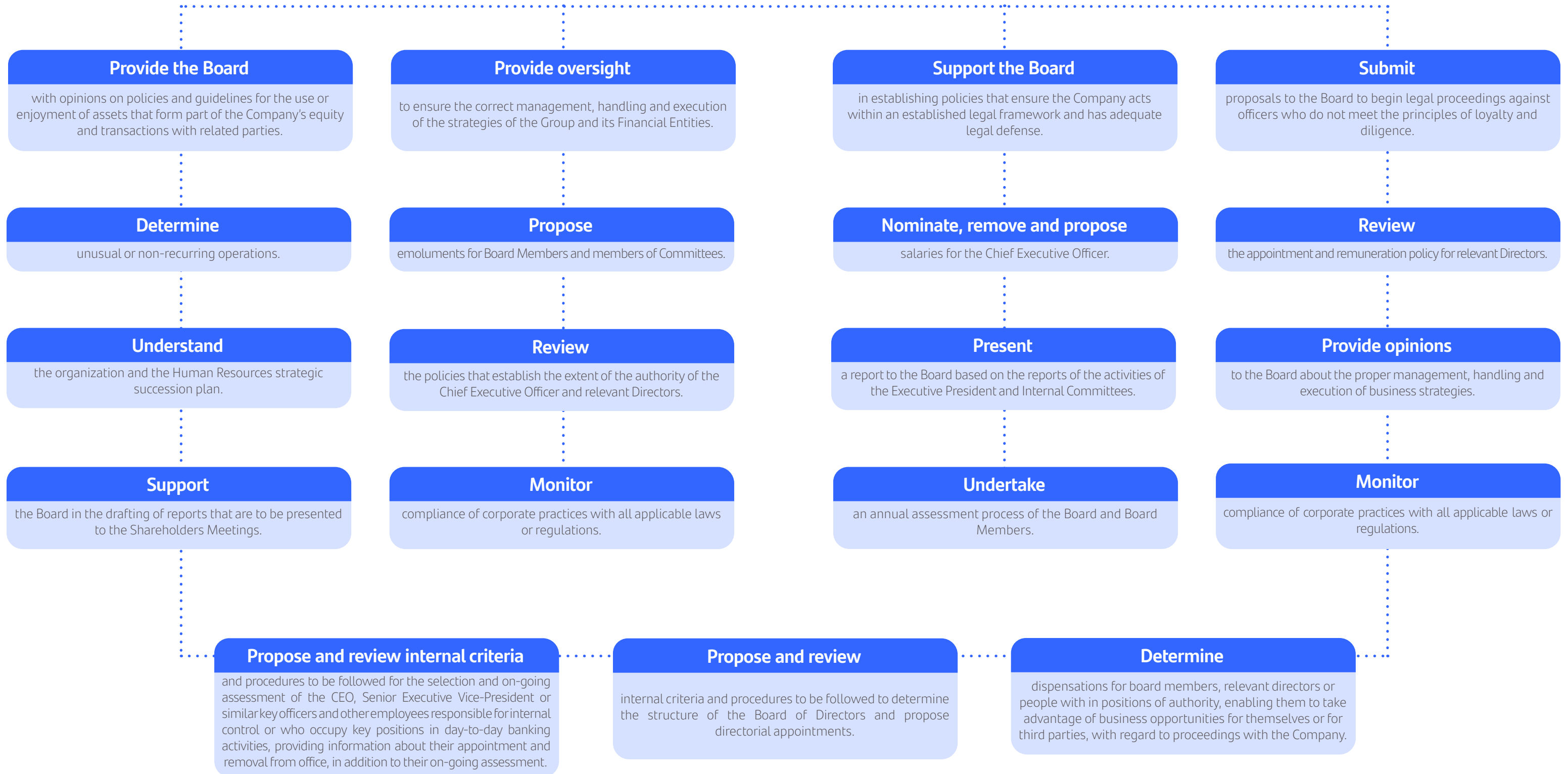
(102-18)

(102-18)

Corporate Practices, Nomination and Remuneration Committee (CPSNC)

In 2020, the Corporate Practices, Nomination and Remuneration Committee met on four occasions: January 23, April 21, July 16 and September 10.

Functions:



(102-18)

(102-18)

Comprehensive Risk Management Committee (CAIR)

During 2020, the Comprehensive Risk Management Committee held one session per month.

Functions:

Propose, for the approval of the Board of Directors:

- Risk Management objectives, guidelines and policies, in addition to any eventual modifications to them.
- Global Risk Exposure Limits and Specific Risk Exposure Limits, taking the following into consideration:
 - » Consolidated Risk, itemized by Business Unit or Risk Factor, cause or origin, in accordance with that stipulated in Articles 79 to 85, in addition to, if necessary, Risk Tolerance levels.
 - » Mechanisms for the implementation of corrective measures (once a year).

Special circumstances or cases under which Global Risk Exposure Limits and Specific Risk Exposure Limits can be exceeded.

Ensure

all staff involved in risk taking are aware of:

- Desired Risk Profiles.
- Risk Exposure Limits.
- Risk Tolerance Levels.

Approve:

- Exceptional adjustments to Specific and/or Secondary Risk Appetite Limits, if and when they have the faculties delegated by the Board and prior approval from the Executive Risk Committee, Risk Tolerance Levels (once a year), as well as indicators on liquidity risks.
- Methodology and procedures to identify, measure, monitor, limit, control, report and disclose the different types of risks to which the Institution is exposed (once a year).
- Models, parameters, scenarios and suppositions, including those relating to stress tests for liquidity risk (Appendix 12-B), which should be used to assess, measure and control the risks proposed by the Comprehensive Risk Management Unit - UAIR (once a year).
- Methodologies to identify, assess, measure and control the risks of new operations, products and services to be offered to the market.
- Corrective measures proposed by UAIR in terms of that stipulated in Article 69.
- Risk Management Manuals, based on the objectives, guidelines and policies established by the Board. Said Risk Management Manuals must be technical documents that contain, among other elements, the policies, procedures, flow diagrams, models and methodologies required to manage different types of risks (Article 78).
- Technical Comprehensive Risk Management assessment (Article 77) for its subsequent presentation to the Board and the Commission.
- Technical Evaluation Report (Article 77).

Appoint (remove)

with the ratification of the Board of Directors, the chair of UAIR.

Request

the Board adjust or authorize, under exceptional circumstances, the Global Risk Exposure Limits.

Inform the Board

at least once a quarter, of:

- The Institution's Risk Profile.
- The Institution's Risk Exposure.
- The negative effects that this could have on the Institution's operations.
- Non-compliance with established Desired Risk Profiles, Risk Exposure Limits and Risk Tolerance Levels.
- The corrective measures that have been implemented (Article 69).

Inform the Board

at least once a year, of:

- The Business Continuity Plan.
- Effectiveness Testing of the Business Continuity Plan.
- Methodologies to estimate the quantitative and qualitative impacts of operational contingencies outlined in Article 74 Section 11.

Adjust or authorize

extensions to the Specific Risk Exposure Limits:

- Under exceptional circumstances.
- With the prior approval of the Board.
- In accordance with the Risk Management objectives, guidelines and policies.
- When the conditions and situation of the Institution require.

Associations

In order to achieve our sustainable goals, it is fundamental that we forge alliances and work as part of a team. This is why, in addition to aligning our operations with major national and international initiatives, we have adopted a culture that promotes ethics, transparency and inclusive growth.



(102-12, 102-13)

In Mexico, we are members of the following financial associations:

- **Mexican Association of Securities Intermediaries (AMIB)**
- **Committee of Mexican Stock Exchange (BMV) Issuers**
- **Association of Mexican Banks (ABM)**
 - » Social Responsibility Committee
 - » Sustainability Committee

We promote sustainable development in the banking sector as a signatory of the Association of Mexican Bank's Sustainability Protocol, which encompasses the following elements:

Institutionalization of internal sustainability policies.

Management of social and environmental risks in investment and credit processes.

Sustainable investment.

Efficient resource use within internal processes.

Monitoring and communication of sustainability policies and practices within the industry.



(102-12, 102-13)

We are members of major international working groups and initiatives:

Voluntary membership of International Initiatives

United Nations Global Compact

It promotes the implementation of universal principles of sustainability and actions to accelerate the fulfilment of the Sustainable Development Goals.

Banking Environment Initiative (BEI)

This institution is part of Cambridge University and focuses on developing leadership skills and solutions to help promote a sustainable economy.

World Business Council for Sustainable Development (WBCSD)

Its goal is to help sustainable companies become more successful, in addition to generating a positive impact on shareholders, the environment and societies.

UNEP Finance Initiative

This initiative coordinated by the United Nations supports projects within the global financial sector to promote the integration of sustainability within the financial market.

Wolfsberg Group

An association of 13 global banks to help develop risk management guidelines and frameworks for financial crimes.

Equator Principles

A risk management framework adopted by financial institutions to determine, assess and manage environmental and social risks linked to the projects they finance.

Round table on Responsible Soy

It promotes the responsible production, processing and marketing of soy around the world.

Principles for Responsible Investment (PRI)

A series of principles that offer actions to help incorporate environmental, social and corporate governance issues into investment practices.

Sustainable Livestock Working Group

It drives the development of sustainable livestock. It debates and formulates common practices, patterns and principles to be adopted by the sector.

(102-12, 102-13)

Carbon Disclosure Project (CDP)



It focuses on publishing important global information to ensure that investors, companies, cities, states and regions can manage their environmental impacts.

CEO Partnership for Economic Inclusion



It promotes financial inclusion around the world with the support of major companies.

Women's Empowerment Principles (WEPs)



We are a signatory of the Women's Empowerment Principles (WEPs), which reaffirm the commitment to empowering women within the workplace and society, in addition to inspiring other companies, governments and people to take join this initiative.

Pride Connection Mexico



A network of companies that seeks to promote inclusive workplaces and sexual diversity, in addition to providing networking opportunities for its members for the attraction of LGBT+ talent.



(102-12, 102-13)

Indices

FTSE4Good Index (third year)

Dow Jones Sustainability MILA Pacific Alliance Index (first year)

Dow Jones Sustainability Index (global)

S&P/BMV Total Mexico ESG Index

Grupo Santander supports the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). As part of this initiative, we coordinate training programs at Santander Mexico and send out an informative brochure regarding the inherent risks of climate change and its relevance within the financial sector. On a global scale, Santander is one of 17 banks that has undertaken a PACTA-based study of corporate lending portfolios, developed by the **2 Degree Investment Initiative (2Dii)**.



Risk management

(103-2, 103-3)

To guarantee our security and functionality as an organization, we have a Risk Management Model, which allows us to identify, assess and monitor risks and their possible impact on our operations. It also ensures responsible compliance and an accurate decision-making process to help protect our activities and our stakeholders.

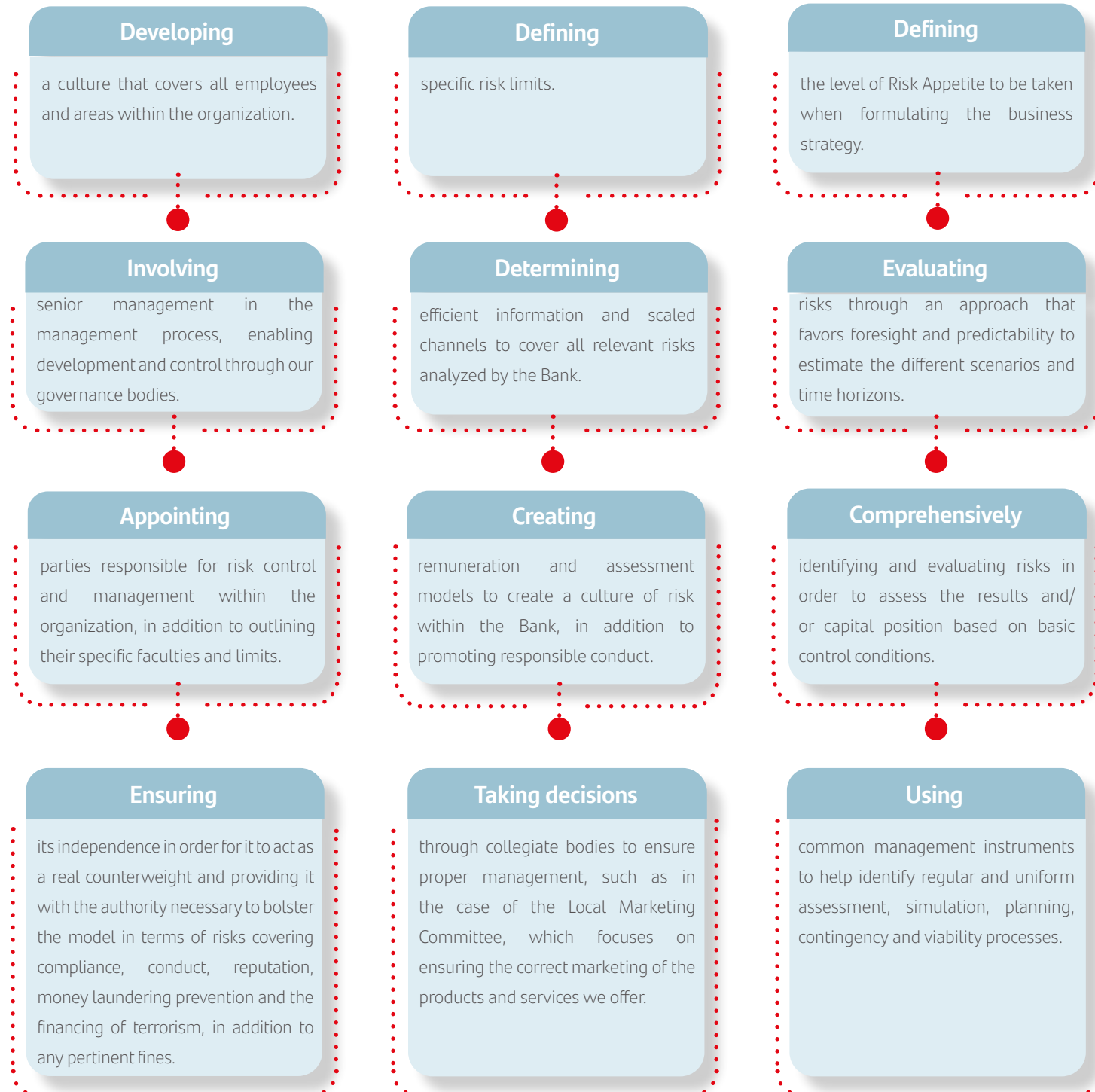


(FS2)

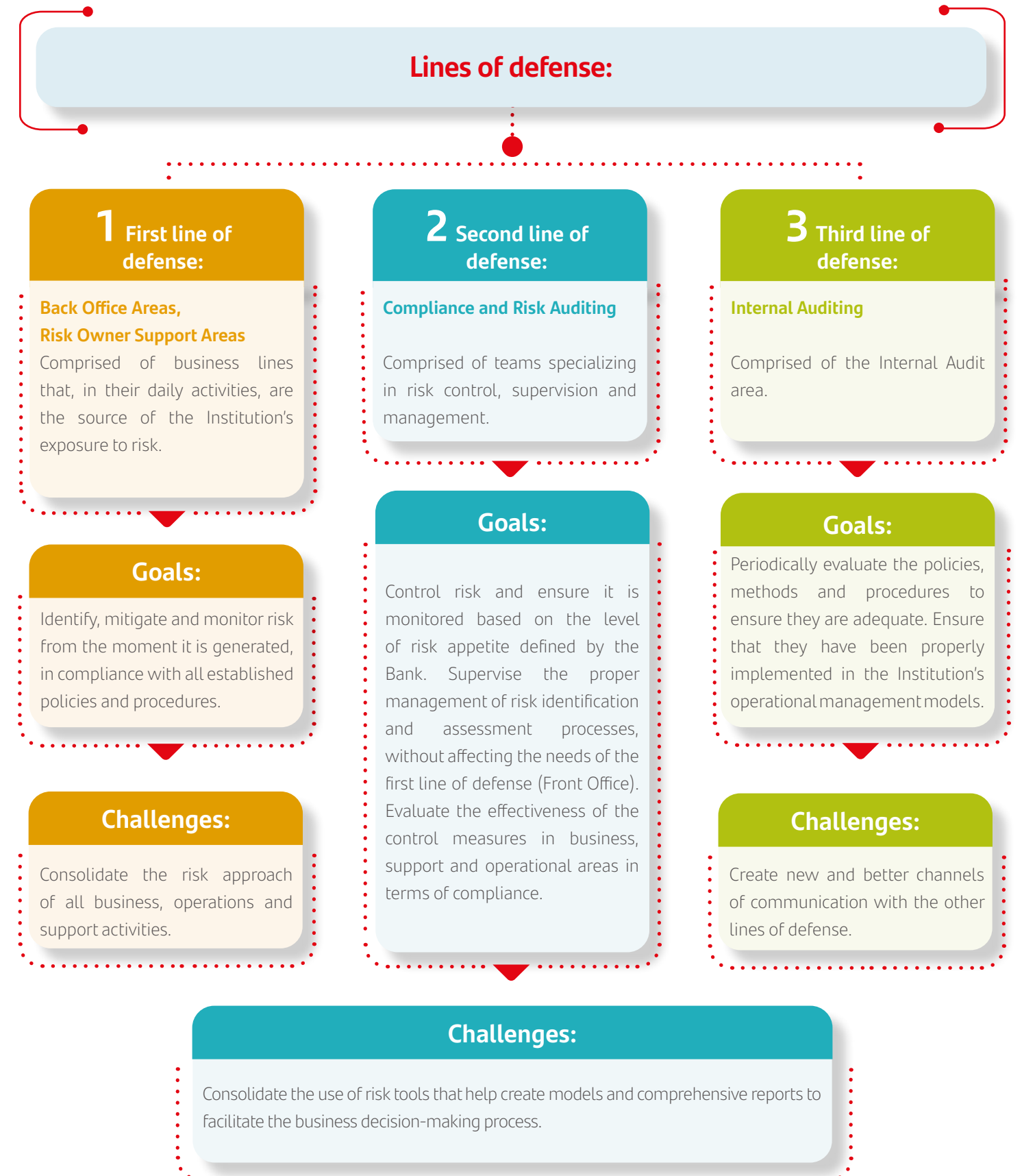
Risk Management Model (FS2)

We have an institutional framework that guarantees the security of the Bank's operations and its responsible behavior:

Principles of Our Risk Management Structure:



The Risk Management Model is coordinated by the Comprehensive Risk Management Committee (CAIR), which falls under the auspices of the Board of Directors. Below are the three lines of defense encompassed within this model:



(FS2)

The School of Risk in Mexico is tasked with designing risk strategies and plans of action within our Bank, in addition to promoting a culture of risk among our employees. It publishes information through the following tools:

- Knowledge Maps.
- Risk Training Catalog.
- Risk Programs.
- Curricular Plans.
- Technical, Functional or Case Study Awareness Sessions.
- E-learning (Online Training).
- Best Practices Workshops.

Thanks to our Risk Management Model, we maintain a medium-low and predictable risk profile to tackle the different types of risk that we face as a financial institution: credit, market, liquidity and financing.

Actions with the Culture of Risks

We promote responsible and ethical behavior through a range of initiatives that focus on all Santander employees.

We have an annual compensation model that assesses directors, managers and operational staff. We incorporate Risk Control Variables into this calculation in order to ensure coherence between our goals and all associated risks.

This calculation is based on five categories that encompass all major risks. Each category contains specific metrics that are weighted based on their importance.

- **Credit Risk**
- **Market Risk**
- **Operational Risk**
- **Compliance**
- **Audit**

We use a technological platform to offer courses to all the Bank's employees, including a Risk training program.

(FS2)

Block

1

- **Market and Microeconomics**
- **Risks and Macroeconomics**
- **Financial System**
- **Business Mathematics**
- **Accounting I**
- **Financial Analysis I - Risk**

Block

2

- **Operational Risk I**
- **Banking Services and Products**
- **Customer Knowledge**
- **Asset Products and Introduction to Credit**
- **Financial Mathematics I**

Block

3

- **Banking Business**
- **Banking Profitability**
- **Credit Analysis I**
- **Credit Risk I**
- **Credit Bureau**
- **Admitting, Formalizing, Recovering, Managing and Monitoring People**

Block

4

- **Risks within Banking and Economic Settings**
- **Admitting, Formalizing, Recovering, Managing and Monitoring Companies (SME's)**
- **Commercial Credit**



Furthermore, Human Resources has incorporated a series of risk management criteria into employee assessments. These criteria include:

- Results of risk self-assessments: Each employee completes a self-assessment covering their management of risks throughout the year.
- Percentage of compliance with management controls: This is the result of a Risk and Control compliance assessment (based on the area to which they are assigned).

We have also designed a plan to manage the culture of risks as an internal brand. Through marketing strategies aimed at people within the Bank, we have implemented a series of tactics, including campaigns, dynamic activities and promotions, in addition to collaborating with strategic areas to drive the visibility of the culture of risks among all employees, highlighting its fundamental role in our corporate culture.

We implemented a communication strategy based on the identification of "day-to-day" risks involving our risk management responsibilities, promoting the "we are all risks" culture and identifying our leaders as true risk managers.

Business ethics

(103-2, 103-3)

Our principles and values are the foundations of our responsible operations. We are aware of the importance of undertaking our activities in a transparent and ethical manner in order to consolidate sustainable growth and the trust placed in us by our stakeholders.



General Code of Conduct (GCC) (102-16, 102-17)

Our practices and behaviors are guided by a regulatory framework contained in the General Code of Conduct, which encompasses Santander Mexico's mission, vision and values. This series of ethical standards governs the way in which we operate and behave as a financial institution.

Our Principles are outlined below:

Equality
Opportunities
and Non-
Discrimination.

Respect for People
– Human Rights.

Personal and Work
Life Balance.

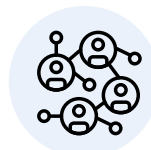
Prevention of
Workplace Risks.

Environmental
Protection and Social
and Environmental
Responsibility Policies.

Collective
Rights.

(103-2, 103-3)

To guarantee that our employees act in a responsible and ethical manner, we offer comprehensive training regarding compliance with the General Code of Conduct (GCC) and Anti-corruption measures.



Ten Good Conducts

given the pandemic we developed this document for employees working remotely in order to ensure the correct operation of Santander.

	Men	Women	Total hours
Directors	1,371.79	986.58	2,358.37
Deputy Directors	553.92	393.12	947.04
Managers	660.93	614.72	1,275.65
Administrative and Operational Personnel	2,213.17	3,572.73	5,785.90
Total	4,799.81	5,567.15	10,366.96



(102-17)

Línea Ética Ethics Line

To safeguard the security and functionality of our practices and operations, we offer our employees access to our Ethics Line, a channel through which they can make their voices heard in the event of any issues of non-compliance with guidelines stipulated by Santander.

It is operated by EthicsGlobal, an external company, in order to promote trust among employees and avoid possible conflicts of interest.

It can be accessed via a number of channels: an application, online chat platform, e-mail account, website and telephone number.

Through these channels, employees can anonymously and confidentially report any irregularities regarding ethical issues. They can also send evidence and consult the status of the process.

Reports are filed securely, ensuring no social or professional repercussions for the person in question. Furthermore, it helps promote the participation of Santander Mexico's employees, ex-employees and suppliers.

This reporting systems means that we comply with one of the vectors of NOM-35, Psychosocial Risk Factors in the Workplace, in addition to one of the requirements of the Business Integrity Census (Padrón de Integridad Empresarial).

Given the public health crisis, our employees used the **Ethics Line** as a tool to report compliance issues with COVID-19 protocols and instructions, any lack of hygiene measures, or any other act that put at risk or increased the risk of infection within the company. We also offered each of them and their families access to a **Support Line** to provide emotional, legal and financial support through our team of professional economists, psychologists and lawyers.



1,227

reports received through the **Ethics Line** in 2020.

Corruption Prevention

We promote honest practices and transparent operations among all Santander employees. We implement a number of strategies, such as accountability, which is a valuable tool to help combat internal corruption.

We strongly condemn any actions linked to illegal practices, such as the misuse of public funds, bribery, payment of contributions, influence peddling, or any other activity related to corruption. At Santander Mexico, our Corruption Prevention Policy is the standard through which we consolidate honest and transparent practices within the Bank and regulate anti-corruption measures, as well as the operations of the Compliance area and other relevant Committees.



(205-2)

We inform and train on our policies and procedures to help tackle corruption to:



20

members of the Board of Directors.



100%

of the Corporate Governance structure.



19,761

employees.



Corruption Prevention Policy

1. The classification of corruption.
2. The guidelines for gifts received by Santander employees.
3. The functions of the Compliance area and other sustainable control mechanisms.
4. Engagement with public and private institutions.
5. The reporting channel.
6. The Corruption Prevention Committee (which is only convened when cases that are not contemplated in the policy arise).

Money Laundering Prevention

One of our major priorities is preventing money laundering within our operations, in addition to eradicating any activities relating to money laundering and, as a result, the financing of terrorism, which is why we have adopted a range of measures and procedures.

We have a System for the Prevention of Money Laundering and Terrorist Financing (PMLTF), which is governed by the General Policy and Procedures Manual and was designed to create policies, guidelines, regulations, flows and controls regarding funds.

This system is reviewed on an on-going basis to ensure compliance with domestic regulations. Furthermore, there is a risk and control certification program, which is implemented every six months.



Structure of the Prevention of Money Laundering and Terrorist Financing System

- **Institutional support** for all areas within the organization.
- **A robust legal framework** that complies with corporate requirements over local regulations.
- **The development and implementation** of local and corporate projects, such as Legal Risk Assessment, Sanctions, Correspondent Banking, etcetera.
- **Customer identification** and recognition policies based on validation processes that ensure files are properly compiled.
- **Regular updating** of files.
- **Monitoring, analysis and reporting** of operations.
- **Processes to prevent** and mitigate legal and operational risks.

Institutional Framework for Prevention of Money Laundering and Terrorist Financing System

1

The Communication and Control Committee: the maximum authority in PMLTF, presided over by the Joint General Director of Legal Affairs and comprises the Joint General Directors and Executives from the Financial Group's Business and Control areas.

2

The Money-Laundering Prevention Unit (UPLD): is composed of six departments: Monitoring, Monitoring of High-Risk Clients, Analysis, Risk Management, Strategy, and Engagement and Implementation of the Corporate Norkom System.

3

The Compliance Officer: is responsible for implementing the PMLTF system and is certified by the regulatory body.

	Men	Women	Total hours	
Money Laundering Prevention Training Hours	Directors	9,354.53	6,157.41	15,511.94
	Deputy Directors	2,838.61	2,100.71	4,939.32
	Managers	3,784.64	3,540.92	7,325.56
	Administrative and Operational Personnel	13,698.78	22,583.74	36,282.52
Total	29,676.56	34,382.78	64,059.54	

 **64,059.54**
hours of Money Laundering Prevention training during 2020.

 **Members of our Board**

of Directors and our employees were informed and received training regarding our existing Prevention of Money Laundering and Terrorist Financing policies:

20 members of our Board of Directors.

100% of the members of our Board of Directors.

19,652 employees.

Conflicts of Interest

All our operations are undertaken in compliance with the guidelines contained in the General Code of Conduct (GCC) in order to ensure our employees, directors and Board Members make the right decisions and always act in the best interests of Santander, without putting vested interests or those of family members or other acquaintances first that could affect the Bank or its customers in areas relating to the acquisition or leasing of goods and assets, transactions, and product and service contracts.

Furthermore, the Compliance area is responsible for receiving, identifying, analyzing and registering any acts that infringe the General Code of Conduct (GCC), and these are then sent to the Compliance Committee.



In 2020, we organized a Risk Conference cycle to promote customer identification and the Prevention of Money Laundering.





05

Responsible Banking agenda

New Business Environment

Inclusive and Sustainable Growth



New Business Environment

Best practices

A talented and motivated
team

Responsible practices with
our customers

Digital transformation



Today, we are involved in shifting global markets, making the importance of creating additional value ever clearer. At Santander Mexico, we have achieved this thanks to our extraordinary employees, who allow us to better understand the needs of our customers.

We are convinced that our employees are the keystone to meeting our Responsible Banking goals. We express our gratitude and recognize their hard work through practices, programs and benefits that guarantee their optimal personal and professional development.



We find ourselves in a constantly changing environment, one in which we must adapt in order to optimize our development as a responsible bank. This is why we have two challenges within our Responsible Banking Agenda, one of which focuses on the New Business Environment and includes having fully-trained employees who are committed to generating additional value and meeting the needs of our customers through the use of a range of different technologies.



21,183

employees.



56%

of all employees promoted in 2020 were women.



26,769

correspondent banking points to benefit our customers.



+1.5 million

million customers benefitted by our Emotional HUB initiatives.



5 million

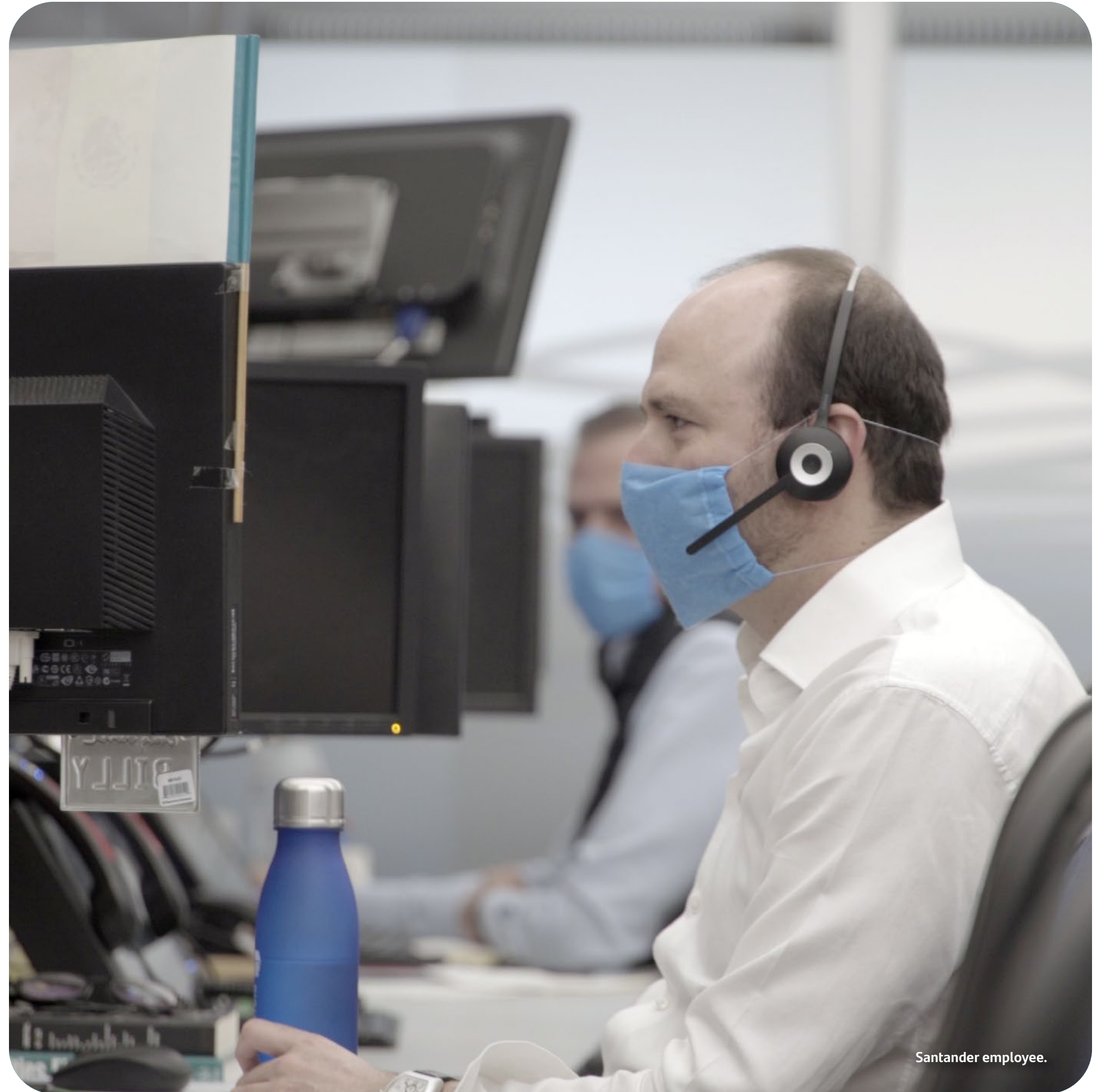
digital customers in 2020 – the *SuperMóvil app* was the leading interaction channel.



944,476

training hours for employees.

Best practices



Santander employee.

(103-2, 103-3)

Diversity and Inclusion Committee

To promote a strategy and culture within this area, we have a Diversity and Inclusion Committee that comprises 13 employees from a number of areas and organizational levels. The Committee is underpinned by four main pillars: Female Talent, Generational Talent, Disability and LGBT+, all on an Inclusive Leadership basis.

We work on four strategic areas:



Employees "Each for Equal" campaigning.



"Diversity and Inclusion allow us to attract the best talent to our organization by eliminating any unconscious bias that limits the way in which we see people, allowing us to see their true value. This is a clear example of human evolution, and I truly hope to see the day in which this is no longer an issue that we need to focus on".

Ana F. López

Executive Director of Talent Attraction and Development



“Throughout my professional life, I have held a number of leadership positions, and being a Female Talent sponsor is one of the most important posts I have ever had. In my professional experience, I have led teams of talented women, and as a mother of two daughters, I am convinced that empowering through offering equal opportunities will help to drive their professional development. It is the job of women and men alike to build and contribute, and that is why I would like to invite them to join this gender network, allowing us to accomplish and accelerate this transformation together, achieving gender equality and a more diverse, inclusive and fairer world”.

Norma Castro
Female Talent Sponsor

“Generational diversity plays a fundamental role in ensuring full representation within our society, creating a mixture of experience, talent and learning that allows us to innovate, develop and collaborate to meet the needs and wishes of our customers. Our culture at Santander provides the perfect conditions to attract and retain the best talent of all ages and experiences thanks to our inclusive leadership”.

Juan Ignacio Echeverria
Generational Talent Sponsor

“For me, it is of the utmost importance that our way of working is underpinned by the premise that a diverse team will always perform better. As such, at Santander we recognize that people with disabilities contribute to the creation of a diverse team, enrich discussions, and consolidate the decision-making process to help tackle the challenges we face on a daily basis. That is why I am proud of the work being done by Santander to ensure that our Bank becomes more diverse and inclusive to the benefit of our employees, our customers and Mexican society in general”.

Rodrigo Brand de Lara
Disability Sponsor

“Santander Mexico must be a safe place for every one of us who works there; a workplace where our differences are valued; one where these differences combine to help us reach our goals; an environment that does not limit the professional or personal potential of any employee because their development is based on their skills and aptitude for getting the job done; an environment where all employees feel respected and accepted; one where you can be yourself in every aspect, including your sexual orientation”.

Héctor Chávez
LGBT+ Sponsor



“From within the D&I Committee, we have driven efforts to create an inclusive culture. A Santander leader is a person who embodies the behaviors for which we are renowned; a person who shows respect to his or her team, values and listens to their opinions, works with passion, and promotes collaboration. This type of leadership recognizes the importance of equal opportunities, the personal-work life balance, and the importance of a healthy work environment, one in which we all feel respected, accepted and valued”.

Fernando Quesada
Inclusive Leadership Sponsor

Diversity and Inclusion Committee

A talented and motivated team

(103-2, 103-3)



(401-1)



Employment

We are a responsible company that is committed to the well-being and growth of our employees by offering them dignified employment and future development opportunities. Through the implementation of a range of strategies, we have successfully attracted and retained the best talent, in addition to making them feel motivated and proud to adopt our culture.

In 2020, we had a total of 21,183 employees, in addition to 1,708 outsourced staff.

The total number of employees includes Santander's internal employees, that means, they are not outsourcing employees and are active as of December 31, 2020, it covers the categories: Administrative and Operational Staff, Managers, Deputy Directors and Directors.



new hires in 2020.



Women: **11,634**

33.7 average age.

5.8 average years of service.

2,502 new hires.

43.6 average training hours*.

942 are outsourced.

11.24% turnover rate. ¹⁰.

*The total and the average number of training hours are not part of PwC's scope of verification.
10. The methodology used can be found as a Direct Response to page 262 of the GRI Content Index.



55%

of all our employees are women.



27%

of all directors are women.

(405-1)	Aged under 30	Between 30 and 50	Aged over 50	Total	%
Directors	4	183	42	229	2.0%
Deputy Directors	91	777	86	954	8.2%
Managers	739	1,753	133	2,625	22.6%
Administrative and Operational Staff	4,473	3,070	283	7,826	67.2%
Total	5,307	5,783	544	11,634	100%

Type of contract (102-8)		
Permanent	Temporary	Total
11,255	379	11,634

Type of contract (102-41)	
Unionized	Non-Unionized
4,530	7,104
Total	11,634

Employee recruitments (401-1)		
Age	Women	New hire rate
Aged under 30	1,721	32.43%
31-40	554	13.19%
41-50	178	11.24%
Aged over 50	49	9.01%
Total	2,502	21.51%

In 2020, there were 1,558 dismissals of female employees:

- 814 were aged under 30.
- 528 were aged between 31 and 40.
- 148 were aged between 41 and 50.
- 68 were aged over 50.



Men: **9,549**

35.1 average age.

6.3 average years of service.

1,911 new hires.

40.6 average training hours*.

766 are outsourced.

12.99% turnover rate¹¹.



(401-1)*

We also promote a sense of belonging and a culture of recognition. We have achieved this through a career plan, and, throughout 2020, there we promoted 2,307 employees, 1,293 of whom were women and 1,014 were men.



2,307

employees promoted.

Employee Training

Our goal is to promote the development of skills and aptitudes that guarantee the growth of our employees. Through a range of training sessions and tools, we focus on driving their talent.

(405-1)	Aged under 30	Between 30 and 50	Aged over 50	Total	%
Directors	3	409	205	617	6.4%
Deputy Directors	133	995	206	1,334	14.0%
Managers	842	1,894	193	2,929	30.7%
Administrative and Operational Staff	2,936	1,527	206	4,669	48.9%
Total	3,914	4,825	810	9,549	100%

Type of contract (102-8)		
Permanent	Temporary	Total
9,366	183	9,549

Type of Contract (102-41)	
Unionized	2,240
Non-Unionized	7,309
Total	9,549

Employee recruitment (401-1)		
Age	Men	New hire rate
Aged under 30	1,289	32.93%
31-40	468	13.73%
41-50	111	7.83%
Aged over 50	43	5.31%
Total	1,911	20.01%

In 2020, there were 1,528 dismissals of male employees:

- 706 were aged under 30.
- 519 were aged between 31 and 40.
- 170 were aged between 41 and 50.
- 133 were aged over 50.

General turnover rate	
Age	Percentage
Aged under 30	14.11%
31-40	12.26%
41-50	7.57%
Aged over 50	5.60%
Total turnover rate	12.03%

We promote a professional workplace, one in which each of our employees has the opportunity to demonstrate their aptitude to grow within the Bank.

Average training hours		
	Women	Men
Directors	65.6	62.9
Deputy Directors	35.3	35.0
Managers	29.0	23.3
Administrative and Operational Staff	44.4	41.4
Total	43.6	40.6
Total average training hours	42.1	



944,476

total training hours in 2020.

*The total and the average number of training hours are not part of PwC's scope of verification.
11. The methodology used can be found as a Direct Response to page 262 of the GRI Content Index.

*PwC's verification about content 401-1 covers only the total number of dismissals. The rest of the information included in this page was not validated by PwC.

We focus our training efforts in the following areas:

Technical Training: it focuses on implementing new tools to streamline our employees' daily operations.

Compliance Training: it focuses on certifications and courses endorsed by an authority.

Management Training: it focuses on developing management skills to promote teamwork and achieve goals.



\$93,494,352

invested in training.

Academia MX

We promote the development of our employees through the use of mobile devices and new technologies, tools that help professionalize their careers within Santander. They have access to a range of innovative virtual spaces that they can access whenever and wherever they like.

They have access to platforms such as Santander Knowledge, Learning Cloud, Zoom, the Office 365 Suite and Workday, in addition to other platforms from external providers, including Game Learn, Coursera, LinkedIn Learning, Consultable and Rosetta Stone. We also complement their training options through courses offered by Banco Santander that cover multiple areas.

We are currently consolidating these options and integrating content that is available to all in order to bolster the Bank's culture and promote, among other areas, our employees' digital, management and leadership skills, in addition to social skills that allow them to better perform within the workplace and work with other people.

Sprints

In 2020, some 130 sprints were launched, offering a range of content available to everyone, including the **first ever Responsible Banking sprint**.

AMX Talks

More than 90 AMX Talks were offered. These are live transmissions from anywhere in the world focusing on culture, BeHealthy, diversity and inclusion, leadership and banking. These talks include the participation of local and international experts.



Digital Transformation

During 2020, we created a number of programs focusing on the development of skills and competencies that contribute to the digital transformation of the Bank. These include training activities focusing on agile methodologies, as well as the adaptation and use of new fundamental tools for our current environment, such as Office 365.

We also launched gamification challenges via an app to promote the understanding and use of digital channels. Open options were offered via the Academia MX ecosystem, focusing on areas such as digital culture, agile principles, Office 365 and Design Thinking, among others.

Another highlight during the year was the first Digital Transformation and Analytics Program, an initiative in which 30 employees learned about new business trends, such as Agile methodology and Big Data, among other areas. The second, fully online course started in November, focusing on ideas such as Machine Learning and Deep Learning to ensure that participants have the knowledge necessary to undertake strategic projects within the organization.

Improving the employee experience in terms of training is always a great opportunity to help contribute to their development. As a result of the pandemic, many of our training programs were affected, and we had to modify the format by migrating to a virtual format.

This has had a favorable impact on our operations because, through virtual sessions, we have been able to ensure the continuity of our training programs. We will continue to work to offer new experiences and tools that positively impact the training of our employees.



Of the training

sessions available, 11% were offered face-to-face, 47% online, and 42% via e-learning.

Commercial Network

All induction programs for our Commercial Network and Business and Institutional Banking migrated to an online format, guaranteeing the continuity of programs affected by the pandemic. Strategic programs were developed for the Commercial Network, such as certifications in Insurance and Collections Management. Furthermore, transversal training plans were rolled out, including a Profitability Plan and a Financial Education plan, in addition to specific options such as the Development Plan for Business and Institutional Banking.

Compliance

In terms of compliance, we increased the number of compliance programs available in order to incorporate critical issues such as cybersecurity and reputational risk, in addition to launching the Compliance Channel, a platform to help drive a culture of compliance within the organization.

Management Skill Development for the Decision-Making Process – IPADE Senior Management Program

In November, a program aimed at senior managers and offered by one of Latin America's leading institutions, IPADE, came to a close. This program focuses on the development of management skills and the knowledge and competencies a Santander leader requires. Approximately 60 directors took part in this program.

Learning Technologies Awards

The track record and efforts of Academia MX were recognized when, in conjunction with Netex Knowledge Factory, it was awarded second place in the Learning Technologies Awards in the category of Best Learning Platform. This positions us as a cutting-edge institution that seeks to drive the experience of our employees on a daily basis.

Talent Development and Retention

We strive to retain the best talent and create a sense of belonging to the Bank.



Given that we appreciate the efforts each of our employees make in their day-to-day activities to ensure that the Bank operates correctly, we offer a range of programs to motivate them and guarantee their future development. This ensures that our operations are sustainable, in addition to allowing us to contribute to the progress of society.

Some of these programs include:

Anáhuac Master's Program

In 2020, we kicked off the 22nd generation of the Master's program in Banking and Financial Markets, offered by Universidad Anáhuac Campus Norte and the University of Cantabria in conjunction with Santander. The Bank offers financial support by covering 35% of tuition costs for 12 employees every year. To date, 20 generations have graduated from this program.

The goal of this Master's degree program, which lasts for 21 months, is to forge directors and board members from financial institutions who, through leadership, responsibility and an international outlook, promote the positive transformation of organizations and society through specialist knowledge and an approach that encompasses commitment and service.

2020 Corporate Scholarship Plan

Santander Skills for Professional Development (ESADE): This scholarship focuses on promoting and developing the transversal skills of young people who are just starting out in their professional lives, helping them make a qualitative leap in their careers by improving their employability.

The academic knowledge this scholarship offers focuses on three major and contemporary issues: emotional intelligence, social intelligence, and cognitive processes.

Santander World 2020

This international mobility program, which lasts for between one and three months, focuses on developing our talent and driving their knowledge by offering them an international experience so that they can understand how projects are developed in other countries and implement good practices in their specific areas upon returning home.

It works in the following way: applications can be submitted by employees hired by Banco Santander if they meet a number of requirements, including having worked at the Bank for a minimum of two years, having outstanding performance evaluations, and having selected the project that they would like to be involved in, considering the specific requirements for each. These projects are published in the countries in which Banco Santander is present, facilitating exchanges between countries.

The application process is also open to management (Joint General Directors, Executive Directors and Area Directors). Once candidates have been determined, in conjunction with Global Recruitment, a selection process to choose the finalists is carried out.

Top Companies Survey

Every year, we apply the Top Companies survey, which allows us to better understand our organizational climate and culture, in addition to our position on the Súper Empresas ranking published by Expansión magazine.



in the 2020 Súper Empresas ranking, making us the highest ranked bank on the list.

Evaluation Processes

In order to help our employees grow and make processes more efficient, we have a range of tools and practices that evaluate the performance of our employees. This allows us to monitor and follow up on their careers, in addition to identifying areas of opportunity that present an obstacle to their development within the Bank.

Performance Evaluation Policy

This policy is updated every year or when modifications have been made to how the performance process is measured. Prior to its publication, the Remuneration Committee is notified, and it in turn authorizes the changes. The policy is then published and uploaded to the Intranet so it can be accessed by employees. The policy contains the stages of the evaluation, the grading scale, and what areas are measured.

My Contribution 2020

Performance management at Santander is applied uniformly for all employees and it is one of the major driving forces behind our cultural transformation. Through My Contribution, we can evaluate the performance of our employees, in addition to their individual contributions to their area goals and their behavior. This allows us to not only motivate them, given that they are evaluated based on fixed goals, but it also helps promote teamwork and efficiency in their operations.

The performance evaluation procedure is carried out every year and is divided into three specific stages:

- Goal Setting (February-March).
- Mid-Year Review (July).
- Final Review (November-December).

	Women	Men	Total
Directors	134	303	437
Deputy Directors	532	707	1,239
Managers	837	1,012	1,849
Administrative and Operational Staff	664	499	1,163
Total	2,167	2,521	4,688

Feedback for Annual Performance Evaluations

In January, employees can download their final performance evaluation and, based on their results, supervisors will talk to their teams about the achievements they have made throughout the year, the activities in which they need to improve, and why they received the grade they did. This step is not compulsory, but it helps motivate supervisors to do this with their teams on an on-going basis.

Skill Model

This consists of establishing a common language to define the critical skills required for each post. We have a global library that serves as a hub for functional and cross-functional skills, in addition to levels to help identify the degree of knowledge/experience required.

Posts that require the same tasks have the same skill requirements. Each employee is responsible for a skills self-assessment (level of expertise) prior to being assigned to their post and receiving feedback from their supervisor to help them work on any skills gaps.

Talent Review

The goal of this practice is to measure the talent of our employees through their motivation, aspiration, skills and mobility, without losing sight of two fundamental aspects: potential and performance. The goal is to standardize the evaluation of potential throughout the organization.

This process assesses their level of potential, attainable level, the risk of them leaving the company, and the effect this loss would have. This assessment allows us to visualize the distribution of teams within a talent matrix in order to have a feedback conversation with each evaluated employee to define their development plan and promote their professional growth within the organization.

Culture of Feedback

Through training and communication measures, we are promoting a culture of feedback within the organization, underpinned by a multi-directional model that offers any of the Bank's employees the opportunity to give, receive and request feedback on a day-to-day basis.

The change management methodology we are employing to achieve this goal is ADKAR:

- **Awareness:** Raise awareness regarding the importance of feedback. During the first month of the campaign, four memos about assertive conversations were published.
- **Desire:** Inspire through the benefits of feedback. During the second month of the campaign, information about how to give and receive feedback were sent out.
- **Knowledge:** Know how to bring about change. During the third stage of the campaign, learning snacks containing relevant information about feedback were shared, in addition to a sprint on Academia MX to reinforce the importance of on-going conversations.
- **Ability:** Apply knowledge. This stage focuses on applying knowledge and inviting employees to give feedback on an on-going basis.
- **Reinforcement:** Maintain the change. This stage focuses on clearing up any doubts about the culture of on-going conversations, and employees were invited to document feedback using Workday.

Recognition for Employees with 25 years of service

Each year, we hold a ceremony to celebrate the service of employees who have worked at the Bank for 25 years or more, recognizing the loyalty, commitment and hard work they demonstrate on a daily basis.

A solid culture of inclusion

At Santander, we promote a culture of diversity and inclusion. We are convinced that through this culture we not only empower people by showing respect and appreciation for their qualities, but we also develop in them a sense of belonging. Having a diverse workforce allows us to enrich our operational levels, contribute to innovation and successfully achieve our goals.

Cultural Transformation

In an ever more complex and competitive environment, the only way to prepare for the future is to employ a different approach. From this need to change comes our Cultural Transformation, which is underpinned by four pillars:

- ### 1 Purpose:

We want everyone who comes into contact with Santander to see us as a means of achieving their end goal: being happy.
- ### 2 Employee Experience:

We want to be the best place to work in Mexico and for our employees to be proud to be a part of Santander.



4,688

employees were evaluated through My Contribution in 2020.

3 Customer Experience:

We want our clients to come, stay and recommend us because of our levels of service and engagement; for listening and prioritizing their needs.

4 Organizational Agility:

We need to be more flexible and adapt to the market more quickly; rethinking our processes through a customer-centric approach and transforming our words into actions.

In 2020, several nationwide town halls were held to learn more about the advances being made in the pillars mentioned above.

Santander Week

This program, aimed at our employees, was held from September 21 to 25, 2020. Its goal is to extol the Bank's values and culture, in addition to motivating and increasing their sense of pride and belonging to the organization. Given the COVID-19 pandemic, it was held virtually for employees and used to create content that was then published via internal communication channels.

The event included webinars with speakers who were internal employees from different areas and levels within the organization. They talked about Santander leadership, RiskPro, quality and cybersecurity. This event was well attended among corporate, branch and Contact Center employees.

Personal Newsletter

This fortnightly national publication focuses on initiatives and programs aimed at the Santander Mexico team.

Its content focuses on our four strategic Human Resources priorities:

- **Culture:** promoting the Santander Way.
- **Super Experience:** we share exciting and important moments within Santander (team achievements, good practices, success stories) in order to become the best place to work.
- **Talent and Development:** we provide information about initiatives and programs to drive talent and facilitate the development of our employees.
- **Accountability/Empowerment:** we discuss issues to help consolidate the work we do as people and as a Group.

The members of the Board of Directors are committed to spearheading the Cultural Transformation to improve the experience we offer our employees and our customers. Ambassadors were appointed to function as the promoters and voice of the Cultural Transformation.

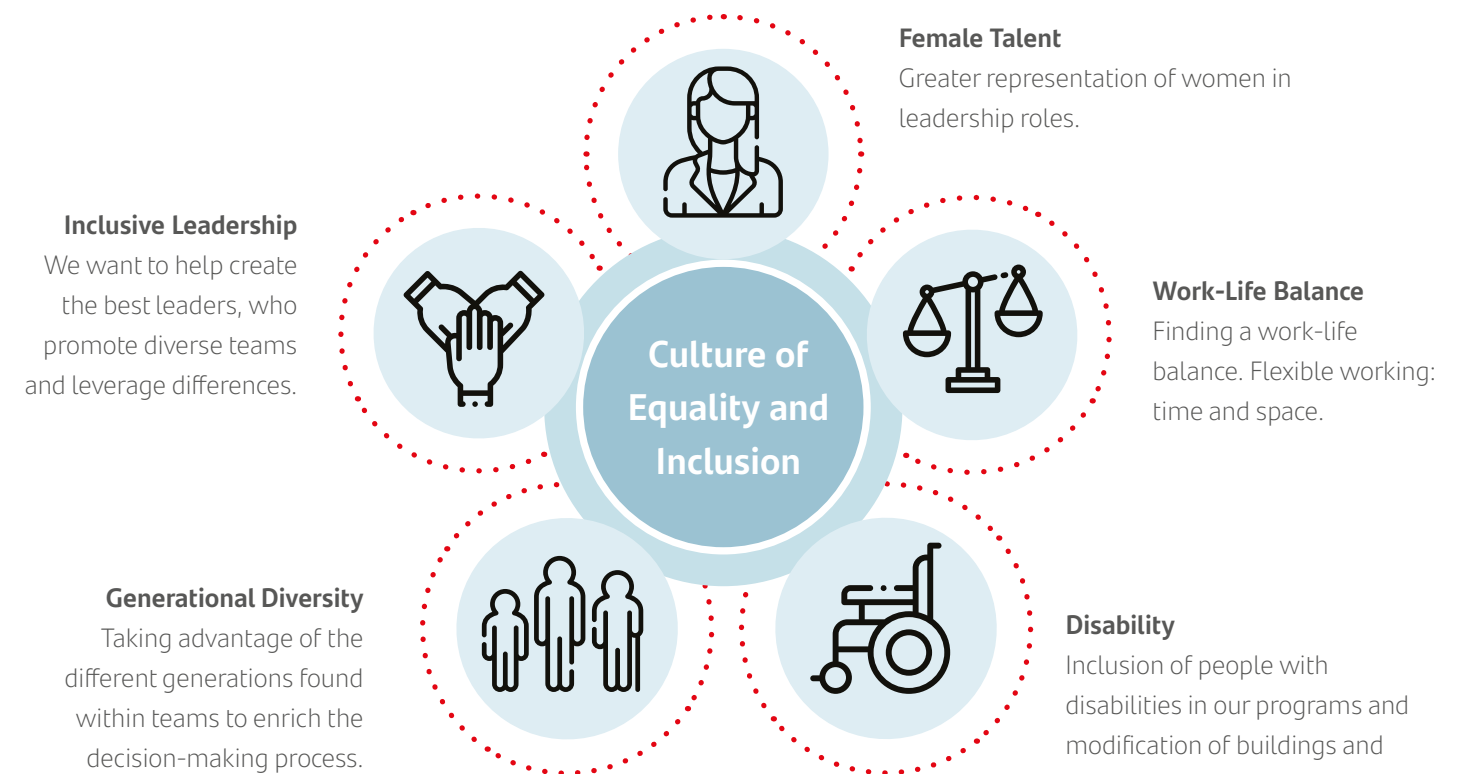
In 2020, these Ambassadors visited 60 branches and held more than 50 sessions that began in a face-to-face format and were then adapted to an online model given the public health emergency, offering more than 9,000 employees the opportunity to voice their concerns and talk about the challenges they face in their day-to-day activities.

Ambassadors Program

This cultural transformation program focuses on three fundamental pillars: Employee Experience, Customer Experience, and Organizational Agility. The goal is for the Lighthouses (General Directors) to be the main promoters of this culture and become more aware of the needs of our employees. Each Lighthouse is the Ambassador for one region.



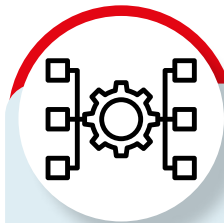
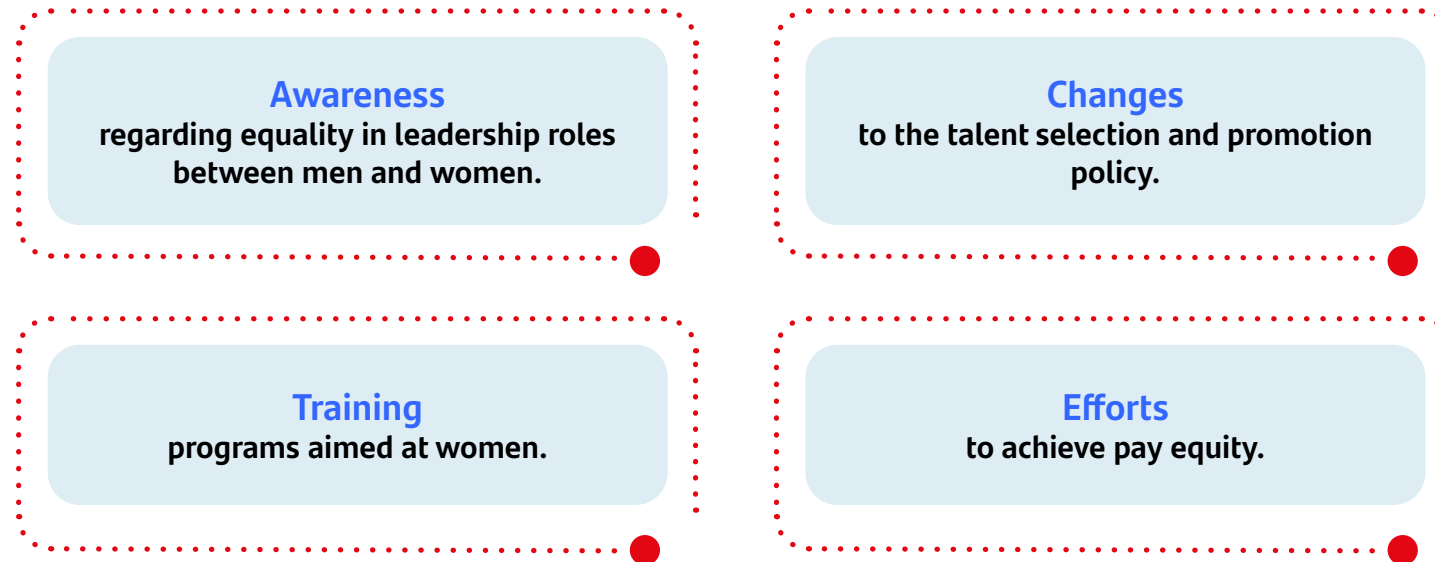
Santander employees.



Diversity and Inclusion Committee (D&I) (103-2, 103-3)

To promote a strategy and culture within this area, we have a Diversity and Inclusion Committee that comprises 13 employees from a number of areas and organizational levels. The Committee is underpinned by four main pillars: Female Talent, Generational Talent, Disability and LGBT+, all on an Inclusive Leadership basis.

We work on four strategic areas:



Roles

- **D&I Sponsor:** In their role as an exponent, he or she represents all D&I activities and promotes the spirit of commitment. The current sponsors are the Joint Director of Institutional and Business Banking and the Executive Director of Human Resources.
- **D&I Committee:** Its function is to establish goals and identify challenges; ensure and promote compliance; create content for best practices; and, monitor metrics and indicators.
- **Allies:** They forge a commitment with project leaders to ensure compliance. They also promote the compliance of the programs themselves.
- **Human Resources Leader:** He or she coordinates and implements projects with the team of sponsor volunteers. He or she engages with and supports leaders and the implementation of the D&I strategy.
- **D&I Project Leader:** He or she guarantees the execution and monitoring of the implementation of the strategy.



Employees "Each for Equal" campaign.

Having a Diversity and Inclusion Policy allows us to develop a strategy that is based on three areas of focus: raising awareness, promoting balance, and driving the participation of leaders. This has allowed us to move towards a culture that is increasingly more open and inclusive. By pooling the efforts of our different committees, in conjunction with the Human Resources team and the support of our sponsors, we have been able to implement programs for each D&I pillar with the levels of commitment and responsibility required to ensure we drive a positive change within the organization.

Diversity and Inclusion Programs (D&I)

During 2020 we achieved milestones in diversity and inclusion: these advances and efforts have been recognized and are scalable within the Bank as a whole. We have implemented a range of programs, talks, training sessions, conferences and

activities that have promoted dialogue and reflection in order to ensure a more inclusive approach in every aspect, not only as an organization but also as individuals. In 2020, we continued promoting our D&I culture through a range of programs:

New Training Topics available via Academia MX:

- **LGBT+ Stonewall:** The night that changed history.
- **Disability:** The Book of Fame by Merrie Sullivan.
- **Diversity and Inclusion Channel:** A learning forum with around 20 new items covering diversity and inclusion issues that focus on discovering, accepting and celebrating individual differences in order to become a Bank that promotes diversity.

The goal of this program is help create leaders and employees who embrace differences and are inclusive, making sure that every single person is made to feel welcome, valued and respected. Today, more than 4,000 participants have taken advantage of the content available covering the topics of diversity and inclusion.

Human Library

The Human Library helps us to better understand the dimensions of diversity. We invite participants open and direct to dialog with our guests - people who embody different dimensions of diversity - through questions and answers regarding the importance of inclusion, allowing us to participate in awareness strategies in order to achieve a more inclusive society.

This allows us to break down prejudices and any form of stereotype in order to better understand and empathize in order to promote respect, diversity and inclusion.

Ten Tips to being a Good Ally

We have developed ten key points to follow for our network of allies within the LGBTIQ+ community in order to promote interaction that is based on respect. Furthermore, these ten tips act as a guide for bringing this debate to our workspaces and promoting education about issues such as sexual orientation, gender identity and the importance of diversity.

Spirit Day LGBTIQ+ Survey

We designed a survey to better understand perception within the Bank about inclusion and to learn more about the perspective of the LGBTIQ+ community, in order to plan a strategy that will allow us to drive the necessary cultural changes solidify our position as an inclusive bank.

Focus Group LGBTIQ+

We coordinated two focus groups to learn more about the opinions of LGBTIQ+ people directly regarding the work that we have done to promote inclusion within the Bank and to understand what obstacles they have identified in order to freely express themselves.

A pilot training program in the northeast region was implemented in order to learn more about this area and replicate similar training opportunities in other regions.

Positive Leadership Conference Program

This program comprises a series of conferences that are open to the general public, the goal of which is to tackle leading issues relating to inclusive leadership centering around gender equality.

Driving inclusive leadership within the Bank is of fundamental importance to maximize the contributions of teams with diverse backgrounds, ways of thinking, lifestyles and identities. It also provides them with an opportunity to share their unique points of view and contribute to higher productivity levels, business results, innovation and decision-making of the highest quality for every single person within the organization. Furthermore, an inclusive and participative environment helps promote a positive working environment that has an impact both in terms of emotional benefits for employees within the teams and economic benefits for Santander.

Festival Virtual Love 4 All

To commemorate LGBT+ pride month we organized a cycle of conferences, in addition to activities, pools with influencers and quality content, all of which focused on improving the quality of life of the LGBTI+ community.



Héctor Mancera

Expansión magazine named Hector Mancera, Director of Individual Credit and Digital Products at Tuio – our financial inclusion division – as one of the 41+1 most influential LGBT+ executives in the community. It is the first time that Santander Mexico has appeared on this list, and we are extremely proud.

Pride Connection México

Pride Connection Mexico is a network of companies whose goal is to promote inclusive workspaces for sexual diversity and to forge relationships that facilitate the attraction of LGBT talent to its member organizations. At Santander, we decided to join this large-scale network to collaborate and improve our practices for the LGBTIQ+ community.

Everyone Together for Equality and Inclusive Leaders Cycle

This cycle, organized in conjunction with Miracle and the Institute for the Development of Anti-Hegemonic Masculinities (IDMAH), is aimed at men and focuses on driving inclusive leadership, substantive equality, inclusion and diversity.

The program consists of a series of group meetings during which participants voice their joint commitment to driving improvements and collective change.

The issues broached include:

- Positive masculinities. There is not just one way to be a man.
- Hack your man box.
- No means no.
- Question your privileges.
- How to be a good ally.

Female Talent

We are firmly committed to promoting the competitiveness of our female talent through a range of programs that drive knowledge and skills development in order to achieve a structural change that guarantees gender equity within our Institution.

Connect To Inspire

This consists of a series of meetings to present Executive and Area Directors as Bank leaders, offering a person look at their stories and experience, their personal and professional journey, their work-life balance, and tips and takeaways.

These sessions are held once a month and are divided into 30 minutes for the presentation and 30 minutes for Q&A.

Mastermind Women

A Mastermind Group is a forum that helps create a safe community for women to exchange suggestions and talk

about the challenges they face regarding specific issues that are defined prior to the session. Participants discover that they are not alone, that they can receive support, and that they can try what has worked for their female colleagues in facing their own challenges.

This group consists of between eight and 12 sessions per year and a number of different issues are broached. For some sessions two schedules were organized in order to offer more women the chance to participate.

360° Women

This development program is aimed at high potential women, focusing on Area Directors and Deputy Directors. It is offered in conjunction with Dalia Empower, a leading expert in training for women.

The goal of this program is to identify the challenges that women are facing and help them develop managerial tools and skills to find a solution to them. It allows them to better understand their inner strength and improve their ability to work with others to achieve common goals.

Cross Mentoring

This six-month program, developed in conjunction with Accenture, seeks to generate dialog between women leaders (Apprentices) and directors (Mentors) from a range of different companies, who, by sharing their experiences and perspectives, can help apprentices identify the skills they need to develop in order to attain their professional goals and consolidate their leadership. Among the topics reviewed were self-awareness, effective leadership, and emotional intelligence.

2020 Corporate Scholarship Plan

Santander W50 – Emerging Leaders (London School of Economics): This represents a unique opportunity to interact with a diverse community of women from around the world and take part in an online learning and development program that focuses on promoting negotiation skills that help drive the leadership capabilities of the participants.

These skills are applicable at any level of the organization and in any sector. Furthermore, the program seeks to create a network of women, future leaders in their sectors, by promoting networking and ongoing dialog.

Generational Diversity

The diversity of our employees helps enrich our operations, and we are convinced that the age differences between our employees enriches everyone's lives. To ensure that this continues, we promote a number of different initiatives:

Young Talent

This program favors the development of young people, offering them the opportunity to become Banco Santander employees, helping promote a more diverse team. We achieve this through the following strategies.

Awareness regarding Generational Diversity.

Awareness regarding Social Responsibility within the company.

Motivation and leadership based on two-way mentorship, exposure and role models.

Support and monitoring of career plan.

Inroads –Social Inclusion

This program is aimed at young people from underprivileged backgrounds, offering them personal and professional development opportunities. We are proud to say that we are the institution that hires the most Inroads in Mexico. In 2020, we welcomed a total of 21 young people.

Young Leaders

This program is part of a global effort to offer technical skills and knowledge that are of vital importance in their professional development. The training program lasts for 18 months, and 280 young Santander employees from around the world take part. During this time, this young talent focuses on contributing to the development of our banking strategy, in addition to designing their own training program. In 2020, 12 women and 13 men took part in this program.

Young People Building the Future

A program coordinated by the Federal Government, it is aimed at young people between the ages of 18 and 29 who are neither studying nor working, offering the opportunity to develop and consolidate useful tools for their professional development at companies, workshops, institutions or business around the world, helping boost their employability. Through this program, 463 women and 298 men took part.

Linkers

This program focuses on attracting and retaining young talent in order to identify high potential students, contribute to their professional development, and develop high performing leaders who can join different business areas as key talent.

The program lasts for nine months, consisting of three cycles each lasting three months, where the performance and compliance with group behaviors are evaluated. The Linkers are assigned a project from a specific business area in which they will receive coaching from their mentor (a supervisor from the assigned area).



This program is offered on an annual basis and through it we search for young people who are in the penultimate or last semester of their undergraduate program, offering them the opportunity of a full-time position at Banco Santander after graduating.



36

women and 68 men took part in Linkers in 2020.

In 2020, the Council for the Prevention and Elimination of Discrimination in Mexico City (COPRED) organized the first Good Practices for Workplace Inclusion competition, and our Linkers program received an honorable mention.

Work-Life Balance (103-2, 103-3)

We know that the well-being of our employees is of the utmost importance in ensuring success. This is why we have a number of programs that aim to promote a work-life balance among our employees. Every single day, we strive to offer them the best possible workplace and work environment to enable them to carry out their activities to the best of their abilities.

Flexiworking

This program focuses on employee productivity, promoting flexible working hours that allow them to balance their work commitments with other personal activities.

Breastfeeding Rooms

We have an assigned area containing the equipment necessary for women to breastfeed, extract breastmilk, and refrigerate it during the working day.

AM Business

It promotes meeting with customers in the morning, helping our employees to clear their schedule in the afternoons, so they can spend time with their families or on personal activities.

FlexFriday

It offers employees the option to start work at 8:00 am on Fridays and finish at 3:00 pm.



Santander employees.

Working from Home

As a result of the COVID-19 pandemic in 2020, we faced a number of major challenges, from which we have learned a lot. As a result of the public health crisis, we have implemented new remote working models and incorporated technological tools (VPN's, laptops, cellphones, among others), which have allowed us to create secure access to information from our employees' homes.

We have also incorporated communication and emotional support tools that have helped drive engagement and communication among our teams, allowing us to keep our routines and work better.

Work Schedule

In 2020, there were changes to the working hours in central areas, starting at 9:00 am and finishing at 6:00 pm.

The Santander Parents Program

This is our way of helping those employees who have children to achieve a work-life balance. We have a range of different proposals to support them:

- **School for Parents:** Alongside expert Julia Borbolla, we offer nationwide conferences that focus on a range of issues dealing with paternity and maternity.
- **Parent Mentors:** Support from Santander employees who are mothers or fathers, so they can help offer advice and ensure others do not feel alone.
- **Childcare:** We strive to help all mothers and fathers by implementing agreements with neighboring kindergartens, helping offer them peace of mind that they are leaving their children at a safe place while they are working.

Early Stimulation

We have partnered with the DEI project, coordinated by prestigious educator Ana Serrano, to support parents with babies between the ages of 3 and 30 months during this complicated period that has arisen from the public health crisis. We know that the current context makes learning difficult for young people, which is why, through virtual sessions carried out via Zoom, parents learned about how to keep their baby stimulated based on his/her age and with the guidance of an expert in the area.

Furthermore, to support our employees who are mothers and fathers, we implemented the following initiatives:

- Scholarships for the sons and daughters of our employees.
- Exclusive discounts with home schooling professionals (Ser Padres Santander).
- 13 conferences covering a range of maternity and paternity issues, which were attended by more than 2,000 people.
- The launch of the Ser Padres magazine, 15 issues of which have already been published.

In 2020, we launched the new global maternity and paternity policy, which benefits all mothers and fathers at the Bank.

- **Maternity leave of 14 weeks.**
- **Paternity leave of four weeks.**

Disability

As a relevant way of promoting our D&I culture, we work on developing a range of programs aimed at people with disabilities, not only to put an end to the prejudices and discrimination they face, but also to promote an inclusive work environment that allows them to grow professionally.

Teams that work with a person with a disability are offered a more in-depth training approach; however, it is important to also communicate these issues throughout the Bank in order to promote inclusive teamwork and leadership.

Awareness regarding Disability Issues

Conferences

To increase the number people with disabilities we hire, in addition to promoting a more open and inclusive culture, we organized a series of conferences, talks and training sessions focusing on this issue. The underlying goal was to raise awareness among teams and promote a more receptive, more empathetic and more human culture. Our focus is to attract talented people without their condition representing an obstacle to working at the Bank, in addition to leveraging their knowledge, skills and way of working for a range of different projects, allowing them the opportunity to develop comprehensively.

Pilot training program for people with disabilities.

In 2020, we rolled out our pilot program in the northeast region in order to determine and define the best ways of recruiting and hiring people with disabilities, learn about the process, and replicate it in other regions. We coordinated meetings with universities from the region in order to drive collaboration and have a larger database of students who can join the Bank's workforce.

Linkers

In 2020, we hired three full-time Linkers with disabilities at the Bank.

Disability Week

In December 2020, Santander celebrated the first ever Disability Week to mark the International Day of Persons with Disabilities. Through talks, conferences and panels, we focused on raising awareness among employees of this area.

Some of the activities organized include:

- Commemoration of the International Day of Persons with Disabilities.
- An awareness sprint on Academia MX.
- Inclusive branches.
- Hiring of Linkers.
- Incorporation of new Linkers.
- Allies program.

Allowances and Benefits

Being a responsible bank means safeguarding the integrity of our staff, focusing always on safety, education and health. This is why we have designed allowances and benefits that meet their expectations and motivate them to improve their performance.

Benefits Required by Law

- Christmas Bonus equivalent to 40 days' work.
- Vacation leave of between 15 and 30 working days, depending on the number of years of service.
- Holiday bonus.

Leave

- Paternity or maternity (biological or adoption).
- Civil marriage.
- Death of a close family member.
- Adaptation period for kindergarten.
- Afternoon off to celebrate children's birthdays.

Insurance

- Basic life insurance.
- Voluntary life insurance and voluntary life insurance for spouses.
- Mortgage life insurance.
- Credit life insurance.
- Car insurance.
- Funeral insurance.

Loans

- Consumer (payroll, online, short-term).
- Mortgage (depends on years of service).

Comprehensive Medical Service

- Medical network.
 - Plan 17 (employees who joined prior to August 2014).
 - » External appointments.
 - » Dental.
 - » Prescription medicines.
 - » Laboratory and X-Ray services.
 - » Emergency room visits.
 - » Hospital services.
 - » Orthopedic devices and prostheses.
 - Plan 10 (employees who joined after August 2014).
 - » Social security (IMSS).
 - » Major medical insurance.
 - » Reimbursement scheme.

Comprehensive Medical Check-Up:

- Once a year for Executive Directors and their spouse.
- Once a year for Area Directors.
- Campaign for employees over the age of 45.

Additional

- Financial support for breastfeeding mothers.
- Staff uniforms.
- Discount at sporting facilities.
- Gympass.
- Christmas voucher.
- Retirement savings fund.
- Pension plan.
- Performance bonus.
- Cost-of-living allowance.
- Canteen.
- Transport (corporate offices in Santa Fe, Contact Center Querétaro and Centrum Park).
- Parking (corporate offices).
- Allowance for eyewear.
- Support for funeral expenses of direct family members.
- Relocation support.
- Discount program for schools, universities and numerous articles.

Occupational Health and Safety

(403-1, 403-3, 403-6, 403-7)

We strive to offer safe workspaces that mitigate occupational risks for our employees (physical, psychological and/or emotional). We also promote healthy habits that help reduce stress and burnout, in addition to safeguarding the well-being of our employees at all times.

Health

At Santander, we have BeHealthy, a holistic wellness program for the Bank's employees that offers tools and practical content to help them find a balance between their professional and personal lives. It focuses on 4 main pillars: Know Your Body, Feed Your Body, Move Your Body and Balance Your Mind and Body.

(403-7)



Know Your Body

We offer check-ups, vaccination programs, Health Brigades, Health Week and Child Health Week.



Feed Your Body

We focus on preventing cardiovascular diseases by inviting employees to eat more healthily.



Move Your Body

We promote sport among our employees and their families, offering them access to some of the sports centers with which we have an agreement here in Mexico.



Balance Your Mind and Body

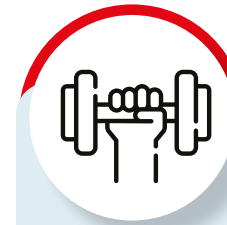
It focuses on the mental and emotional health of our employees, helping achieve a better balance with physical health. This is achieved through tailor-made action plans and training courses in emotional intelligence, stress control and resilience. A Wellness Coach is available throughout our branch network and corporate offices.

<p>Meditación grupal</p> <p>Coral del Vega</p> <p>7:30 hrs.</p>	<p>Clase funcional</p> <p>Lu Tellez</p> <p>8:00 hrs.</p>
<p>Cocina en vivo: Prepara una comida saludable</p> <p>Andrea Alverde</p> <p>14:00 hrs.</p>	<p>Niños: Show navideño de magia</p> <p>Mago Huffman</p> <p>15:30 hrs.</p>
<p>Niños: Cuenta Cuentos con P</p> <p>Paüfa Villanueva</p> <p>17:30 hrs.</p>	<p>Aprende a preparar Snacks saludables</p> <p>María Hudson</p> <p>18:00 hrs.</p>

No olvides hacer tu registro.

¡Te esperamos!

(403-4, 403-6)



BeHealthy Portal

Through this digital portal and a Microsoft 365 SharePoint, we shared information relating to the four pillars of this program, in addition to the activities coordinated during the year:

More than 45 webinars covering topics relating to wellness and the physical and emotional health of our employees and their families were organized.

In conjunction with Gympass, we organized **18 live online exercise classes** with different studios from around the country, in addition to communicating the launch of the Gympass Wellness platform to **incentivize the use of health, nutrition and exercise apps**.

We launched the BeHealthy challenge, which focuses on developing a three-week routine that included daily exercise routines, recipes, nutritional tips and meditation.

The portal contains health surveys, active pauses, action plans focusing on health goals, and more than 100 pieces of content for each pillar.

We also implemented a **range of initiatives** to promote the well-being of our employees:

- Online exercise classes (yoga, dance, Pilates, HIIT).
- A partnership with Santander Universities to coordinate webinars offered by lecturers from a number of different universities.
- The development of a basic meditation course for employees.
- Communication of active pauses and ergonomic tips to promote greater effectiveness when working at home, in addition to supporting employees through digital disconnection.
- In order to ensure a healthy end to the year, we created BeHealthy Day, offering more than ten online talks (health, meditation, exercise classes, and a Christmas show) for employees and their families.

Standard 035 (NOM 035)

In 2018, Standard 035 was implemented, the goal of which is to safeguard the integrity and physical and mental health of Mexican workers, aspects that benefit organizations and help create a good work environment.

In 2020, we applied the surveys that are required by law, which include: a severe traumatic incident questionnaire (ATS - Reference Guide I); a questionnaire to identify psychological and social risk factors (FRPS - Reference Guide II); and, an organizational environment assessment questionnaire (EEO - Reference Guide III).

(403-5)

For reference guides II and III, which are obligatory, we achieved a participation rate 4.2 times higher than that required by law, reaching a total of 1,816 work centers in 12 working days.

The minimum sample necessary for the surveys was 4,825 people, but we achieved a participation of 20,438 people

Occupational Safety

In order to prevent, reduce and mitigate possible risks, we have developed a number of civil protection programs. This allows us to provide our employees with safe workspaces and promote a culture of prevention.

As a result of the COVID-19 public health crisis, 2020 was a year of enormous challenges; however, we worked hard to ensure the continuity of the Bank's operations while, at the same time, safeguarding the well-being of our employees.

When the pandemic began, the Bank's senior management team was alerted to the high levels of infection, and, for this reason it was decided that almost 85% of Santander Mexico employees would work online and no longer go to the office.

Based on recommendations from public health authorities, face-to-face training sessions were suspended. As such, personnel from Civil Protection implemented a strategy to continue offering internal Civil Protection programs at our corporate buildings. The Civil Protection Department, which falls under the auspices of the Prevention and Safety Area, designed a remote civil protection strategy in which employees from our corporate buildings were involved.



35,832

training hours in civil protection.

8 Behaviors to Help Save a Life at Santander

(403-1, 403-2, 403-7)

In order to properly promote the culture of prevention and civil protection among our employees, we implemented a remote training strategy entitled 8 Behaviors to Help Save a Life at Santander. It had an impact on 2,732 employees and the same number of households.

This workshop played a fundamental role in updating our internal civil protection programs at Santander Mexico's corporate offices during 2020. The training was offered through remote sessions lasting 90 minutes each streamed via a digital application. This meant that employees did not have to be on site to take the training, and, as such, helping avoid contact among employees and facilitating the authorities efforts to minimize sources of infection. The invitation to the training session was also extended to the family members of our employees.

The content of the 8 Behaviors to Help Save a Life at Santander training sessions focused on the following areas:



8,958

people trained in civil protection.

1 Activating emergency services:

Participants were shown the right way to provide information when requesting support from external emergency services. They were given recommendations about the best way of talking, explaining what has happened, and learning to answer the questions asked by the 911 operator with "what", "how", "when" and "where".

2 CPR (Cardiopulmonary Resuscitation)

Participants were shown the cardiopulmonary resuscitation technique, a basic part element in saving a life. They also discussed how to prevent a heart attack, the difference between a heart attack and a cardiorespiratory arrest, and how to use and handle an Automated External Defibrillator (AED). An explanation was also offered regarding how to check to see if the person has a pulse and is breathing. Mannequins were used to show them how to carry out chest compressions and the ideal position for doing them when the person has not been breathing or has not had a pulse for ten seconds.

3 Airway Obstruction

Participants received an explanation about the leading causes of airway obstruction, when a piece of food or an object accidentally becomes trapped in the airway, obstructing air from the lungs. Most importantly, they were shown how to tackle a medical emergency of this type and tell the difference between a partial obstruction and a total obstruction, not to mention the importance of using the Heimlich maneuver to save someone's life.

4 COVID-19 Safety Measures

They were provided with information about the health and safety measures being implemented to allow them to continue their day-to-day activities, including: the right way to wash your hands, disinfecting your hands, how to put on and take off face masks, the use of gloves and their lifespan, and how to put gloves on and take them off prior to depositing them in the trash. They were also offered recommendations about how to disinfect products from the supermarket, the soles of their shoes, etc.

5 How to Treat Wounds and Bleeding

They were shown the different types of wounds and how to treat them and prevent infection by ensuring the wound doesn't become contaminated; how to clean a wound, how to use gloves, how to stop bleeding, and how to put on a bandage.

6 Fire Control (use of extinguishers)

They were told about fire prevention methods, the different types of fire, and the type of extinguisher used to put them out. They were provided with information about how to use extinguishers and how to control a fire.

7 Withdrawal and Evacuation

Participants learned about what protocols to follow in the event of an earthquake, as well as how take shelter in low-risk zone. They were also shown how to identify signage in their workspace and what recommendations should be followed in order to ensure a safe and ordered evacuation.

8 Family Civil Protection Plan

Awareness was raised regarding the importance of families having a protection plan in place, which is both useful and necessary in emergency situations. The idea behind this is for this information to be communicated exponentially throughout the Santander Mexico community.

(403-5, 403-7)

(403-5)

We also offered specific training to environmental emergency brigades, focusing on hazardous materials, gas leaks and fires.

As a result of the pandemic, it was agreed that the Civil Protection committee would meet every week throughout the implementation of the specific technical guidelines issued by the federal government to tackle this public health crisis.

The nature of this committee focuses on defining actions, guidelines and protocols to help minimize infections at workplaces and ensure compliance with the legal guidelines issued by the authorities.

Remote Drills

A fundamental and innovative element of the updates made to our internal Civil Protection programs during 2020 focused on carrying out remote drills via an interactive video. We reached a total of 2,125 employees connected to a number of different remote drills carried out at nine corporate buildings.



drills in total.



participants.



849

branches involved.

Employees Actions during the COVID-19 pandemic

Since the public health crisis started at the beginning of 2020, our priority has been to safeguard the health and well-being of all our employees and their families. In order to prevent the spread of the virus, we implemented health and safety protocols in strict compliance with the official guidelines published by the Mexican government. Furthermore, we offered our employees access to a range of programs, platforms and tools to help ensure their welfare.

Work from Home

Without a doubt, the leading measure to help prevent infection was the strengthening of the Work from Home program. It represented a major challenge but also an enormous opportunity that allowed us to see technology as an ally for working from home. As is to be expected, each of our employees were provided with the tools they needed to work from home and perform their activities to the best of their ability.

Disconnection

In order to help our employees avoid spending too much time in front of a screen (computer, cellphone, tablets, TV) we focused on a number of issues: how to achieve actual digital disconnection, tips on how to work better from home, how to eat healthily, and how to reinforce our immune system, among others.

Redefining Humanity – Respiratory Viruses Course

One of the steps we took to promote a culture of prevention and safeguard people's health in light of the pandemic was to launch a course entitled Redefining Humanity - Respiratory Viruses, which was aimed at everyone within the Bank. More than 25,000 people received training covering aspects to help prevent the spread of COVID-19, protocols to help people keep safe, and general tips to avoid spreading the virus.

Infection Prevention Measures

A number of different measures were implemented in order to avoid and prevent infections within our different areas:

- Home assistance for people suspected to be infected or infected with COVID-19.
- Home isolation.
- Operational Contingency Plan for Internal Medical Unit Phase 2.
- Operational Contingency Plan for Internal Medical Unit Phase 1.
- Protocol for the use of gloves and facemasks at branches and offices.
- Protocol for reception services at our buildings.
- Operational plan in the event of a patient with suspected COVID-19.
- Operational plan in the event of a patient returning from a country with high infection rates.
- Protocol for an informative session with the rest of the team in the event of a positive case.
- Protocol for post-infection and monitoring of returning employees.
- Daily monitoring of new cases and infected employees to supervise their health.
- Provision of antibacterial gel at entries to buildings and workplaces.
- Invitation to use facemasks, gloves and face shields properly.
- Temperature filters at entrances to detect any suspected carriers.

- Workplace patrols by medical and security services.
- Installation of a NBELYAX sanitizing tunnel at CTOSS.
- Medical personnel for early detection.
- Random quick testing at workplaces to detect asymptomatic carriers.
- Disinfection of service area after reported cases.
- Personal protection kits for public transport users.
- Plastic screen divisions.
- Information about how to clean and disinfect packages (supermarket, food deliveries, etc.).

Deferred Loan Payments for Employees

We offered our employees the opportunity to defer loan payments for a period of 4 months, helping to support their family economies. Some 2,215 people were benefitted by this measure.

Financial Support for Funeral Expenses

During 2020, we provided financial support for funeral expenses for those employees requiring this service.

Medical Service Support Line

Employees and family members at risk of becoming infected with COVID-19 were offered access to a support line via AsisMed, which is available 24 hours a day.

Transport Routes

More transport routes were assigned to Contact Center employees.

COVID-19 Ethics Line

Reporting irregularities is an effective tool in preventing the spread of COVID-19. As such, at the beginning of the pandemic we activated a new category within our Ethics Line in order to allow employees to report situations including:

- Non-compliance with COVID-19 protocols and instructions.
- A lack of hygiene measures.
- Any action that increases the risk of infection.

COVID-19 Support Line

We set up an emotional support line for our employees and their families, offering a 24-hour-a-day service. Employees were offered information about a range of areas relating to the virus, while our team of psychologists, lawyers and professional economists provided:

- Emotional guidance to help overcome anxiety and worry.
- Legal and financial guidance.
- Recommendations from the health authorities and prevention measures.
- Support hotlines about possible COVID-19 cases at a national level.
- Information from health sector organizations that provide medical assistance.
- Tips on activities for lockdown.

COVID-19 Memos and Newsletter

Throughout the 2020 pandemic, we implemented an internal communication campaign using mailing to reinforce the measures we implemented in all areas, in addition to providing opportune information to employees about issues relating to COVID-19. Some of the issues we focused on include:

- Clothing alternatives.
- Tips on how to improve their lifestyles and reinforce their immune systems.
- Support Line.
- Hygiene measures.
- Medical assistance program.
- Pandemic control regulations.
- BeHealthy recommendations.
- Ten COVID-19 prevention measures.

Other Initiatives during the COVID-19 pandemic

Creation of COVID-News-143 (issues published from March to November 2020)

This exclusive newsletter covering issues relating to COVID-19 and the pandemic was published daily and available nationally.

In addition to being a valuable resource for employees, the newsletter focused on providing relevant information about self-care, protocols, updates, returns, regulations, recreational information, etc., provided by the Executive Chairmanship, the areas of Human Resources, Corporate Communication, Regulations and Procedures, and Medical Services.

Office Chair Loans

Employees working from home were able to request the loan of office chairs to boost their remote working experience, improve their posture and help make them feel more comfortable.

Influenza Vaccines

As a result of shortages of influenza vaccines, Aquanima, our procurement hub, remained in close contact with the laboratories that make these vaccines in Mexico, United States and Europe in order to support our employees. Furthermore, we implemented an awareness campaign regarding the importance of getting vaccinated as a preventative measure.

Safe Return Plan

We implemented a safe return strategy and policy for 10% of our employees from our Corporate Offices in Santa Fe and Torre Diamante, complying with health and safety protocols.



SALUD Campaign

We launched the SALUD Campaign to promote the health and safety of our employees. In Spanish, SALUD stands for: Safety (*Seguridad*), Support (*Apoyo*), Cleaning (*Limpieza*), Union (*Unión*) and Social Distancing (*Distancia Sana*).

MiVuelta App

We rolled out the *MiVuelta* site/app to help prevent infection and monitor the health of our employees.

PCR Tests

Employees returning to our offices were given a COVID-19 rapid test. We paid for the testing of employees believed to have been exposed to the virus.

Signage

We installed COVID-19 signage at 100% of our buildings for the staggered return of employees to our offices.

Other measures implemented:

- Cleaning of facilities.
- Personal protection kits for employees still reporting to their workplaces.
- Medical treatment and assistance.
- Ethical phishing to prevent cybercrimes.
- Installation of VPN's.
- Use of Office 365 tools.
- Weekly Foro Silver presentation of national pandemic statistics.

Responsible practices with our customers

(103-2, 103-3)

Our customers are an essential part of our business strategy. That is why we strive to get to know them better, offering them responsible and transparent business practices that reflect our commitment to them and to each of our stakeholders.





Interactions with Our Customers

Every single day, we listen to what our customers have to say in order to better understand their needs and preferences. This allows us to design business strategies that cover their expectations and ensure we make the best possible decisions relating to our financial services. Improving the quality of our services means improving their experience with us.

Customer Service

Customer satisfaction is synonymous with outstanding service, and because we firmly believe in this, we are characterized for offering a tailor-made, accessible, fair and innovative experience every time our customers use Santander services.

We have a Central Customer Service and Assistance Unit, which acts as our communication channel with customer and which comprises the following areas:

"A" Customer or User

1. Supernet

- Customer registers complaint.
- They automatically receive a file number and SLA (letter of receipt solution date).

2. Banner (portal)

- Customer or User registers their file number.
- They automatically receive a file number and SLA.
- They register their contact details (e-mail and cellphone number).

3. Branch network

- Register complaint.
- Provide letter of receipt with file number and SLA.
- Register contact details (e-mail and cellphone number).

4. Contact center

- Register complaint.
- Provide file number and SLA.
- Register contact details (e-mail and cellphone number).

5. Customer Ombudsman

- Register complaint and inform customer that the Central Customer Service and Assistance Unit will handle their case.
- Send complaint via e-mail.

6. Social Networks

- Complaint is received and registered (VPN).
- File number and SLA are sent automatically.
- Register contact details (e-mail and cellphone number).

7. Radio Show

- Case is addressed on air and recorded in the system.
- Registers contact information (e-mail and mobile phone number).

"B" Service Manager (Management System)

- Generate file number.
- Letter of commitment, e-mail and SMS are sent automatically.
- Letter of commitment and SMS are sent automatically (file closure).



"C" Central Customer Service and Assistance Unit

For SuperNET, Contact Center, Branch network and Social network:

- Analyze origin, make decision, and/or involve other areas of the Bank and its subsidiaries in the resolution process.
- Obtain ruling and issue automatic response (e-mail and SMS).

For all other channels:

- Register complaint in SC system.
- Follow aforementioned processes.

Generate statistical information, based on product, area, channel, process, segment, criticality and root cause.

Governance:

- Promote and monitor implementation of improvements.
- Inform areas and monitor indicators and ratios.

"D" Customer or User

- Receive notification of receipt automatically via SMS and e-mail.
- Receive response automatically (SMS and e-mail).

"C" Scaling Areas (Bank and Subsidiaries)

- Receive and analyze request.
- Identify root cause.
- Visit customer (if necessary).
- Draft response and send via e-mail to the Central Complaint Resolution Unit.
- Implement improvements.

Customer Satisfaction and Quality

Our customers play a fundamental role in ensuring the prosperity of our business, and we have a number of support channels and strategies to help drive satisfaction levels. Our commitment lies in better understanding the needs of our clients and meeting them through the range of quality products and services we offer.

Emotional HUB

Our Emotional HUB, which we rolled out in 2019, allows us to create unique experiences for our customers. We work with a 7-step methodology to develop Customer Experience Improvement projects:

1. Data: discovery and data exploration phase.
2. Employees: research involving employees.
3. Customers: research involving customers.
4. eCJM: mapping of the customer experience based on research.
5. Initiatives: Design Thinking, creation and co-creation.
6. Classification and selection of projects based on the impact on the customers and ease of implementation.
7. Development and Measurement: implementation of initiatives. Definition and monitoring of KPI's.

As part of our strategy to improve customer experience and learn more about their opinions, we use NPS (Net Promoter Score). During 2020, we monitored the NPS of our operations, channels and products, which has enabled us to better listen to our customers and have access to online data. This allows us to better monitor our performance in order to opportunistically react to complaints made by our customers.



customers impacted by Emotional HUB initiatives.

We also have a range of initiatives that meet the needs of each of our customers: mortgages, credit cards and tailor-made service at branches, among others.

Mortgage

We have improved our Mortgage customer service level by partnering with teams of brokers who provide direct assistance from specialists within the mortgage sector. We have also driven improvements in our factory processes, optimizing the time taken to assess applications and provide our customers with a response.

We have also incorporated WOW Experiences (a welcome kit and golden key when signing the mortgage) as part of our efforts to improve our customer relations and ensure their interaction with us is more memorable.



NPS¹² via our mobile channels, positioning us within the top 3 in the market.



NPS¹³ via our internet channels, positioning us within the top 3 in the market.

12. Net Promoter Score.
13. Net Promoter Score.



Credit Card

We mapped the Emotional Customer Journey, both in terms of face-to-face and online applications, in order to identify pain points, emotions, expectations and importance. We implemented a number of areas of improvement to boost the experiences of our customers when they use their cards, the goal of which is to optimize delivery, acceptance and rejection management when using it.

The Santander Touch

We have a procedure in place to offer each of our customers a unique experience when they visit our branches. Our employees participate actively throughout this process. Before opening the branch, they must make sure that everything is in its place before welcoming customers.

Our employees then welcome our customers, listening to them and resolving their problem before saying goodbye. To

improve the customer experience, employees must find out the customer's name and call them by it while helping them, identify the relationship they have with the Bank, make them feel part of the family, and, finally, invite them to use our digital channels.

We also drive awareness among each branch team through sessions, webinars, awards and direct communication.

The Santander Touch Awards

We present awards every quarter to each of our branches that obtain the highest NPS results in the ranking and the best NPS.

Santander Elite Awards

During the first two quarters of 2020, we organized two awards ceremonies for our top ten branches, presenting awards to 163 people. During the third quarter of the year, we presented awards to a further 115 people from ten branches.

Each member of the branch is presented with an insignia, a personalized diploma, WhatsApp stickers, and an Amazon gift card.

A course was also developed for Academia MX, and a series of webinars and training sessions about The Santander Touch/ NPS and their importance for the Bank were organized.

Training:

- Online NPS course for new branch executives.
- Training material for an induction course covering all areas.
- Material for DNA (Passion for Service) with team training covering NPS.
- Four corporate offices were "dressed" in NPS advertising.
- Fixed screen at corporate offices displaying information about NPS.
- On-going communication about NPS and detractors via screens at CCS.
- Memos about NPS and its importance.
- What is NPS and how is it measured? videos at Patio Santa Fe and corporate offices.
- Every Monday an NPS indicator was published via the Intranet.
- 30 Qualtrics training sessions.
- 29 visits to branches to boost times and raise awareness about NPS

We listened to the opinions of more than 650,000 customers through surveys, in-depth interviews, a focus group, facial coding and UX testing, among others, in order to learn more about their opinion of us and detect any areas of opportunity. We will continue redoubling our efforts to improve experiences for both our customers and our employees.

Experience for New Employees

To ensure that our new employees feel part of the Santander team from the outset, we focus on providing them with a number of experiences to make their time at the Bank a memorable one.

During their first day and as part of the induction process, we give employees their ID cards, offering them access to their place of work, canteen, parking and transportation, and they are accompanied by a Santander buddy at all times. They are



made to feel welcome by being presented with a pin (My Workplace) and a video recorded by the President of the Bank, which they receive via e-mail.

The public health crisis of 2020 helped us evolve the way in which our employees undertake their day-to-day business activities, providing them with tools they can use via their cellphones to allow them to continue working from home. This model encompassed up to 96% of all of our employees .

A number of guides manuals explaining the guidelines that need to be followed by each employee as part of the remote working experience were developed, with the goal of guaranteeing business continuity and opportune and efficient customer service.

One of the priorities and measures that we implemented to minimize the impact on collections and recovery focused on organizing training sessions with the entire network team.

Our goal lies in promoting a work environment that is positive for our employees, allowing them to develop a sense of belonging to the Bank. Motivation is a key element for them as this is how they embody their commitment to our customers and offer the best possible customer service. Every single day, we strive to ensure that our employees feel part of Santander, and this can be clearly seen in the service that we offer our customers.

Branch Name Badges

As part of our efforts to improve customer satisfaction and service quality, we implemented the use of name badges at our branches in order to ensure that our customers were able to properly identify the person assisting them. Some 12,000 name badges were distributed throughout the country to branch employees. As a result of this measure, the number of customers mentioning the name of the employee who assisted them increased when answering surveys.

Installation of Redirectors

In order to promote transaction referrals to alternative channels, we installed redirectors, accompanied by a dividing screen that separates the main area from our teller windows. The goal is to increase privacy and security levels for our employees and our customers. In 2020, these were installed at 335 points (approximately 32% of the entire network), benefiting a total of 590 branches (57% off the network) through a smart model.

We also improved the quality of the customer service we offer at our branches, which can be clearly seen in the improvements to our recommendation KPI. We also improved the availability of the ATM's and multifunctional ATM's located at our branches through primary-level failure resolution protocols. The installation of these redirectors and counters help contribute to improving service times for customers at our branches.

Agile Model

We have consolidated our Agile Model, reaching a total of six operational points. These are found in areas with a high number of transactions and payroll numbers, reaching referral figures of up to 75%. This has helped us improve the quality of service we offer our customers at our satellite branches, helping drive business creation.

Work Café Online Talks

During the pandemic, Work Café created a customer service protocol, migrating the talks it offers to a digital format for both customers and non-customers. During 2020, a total of 78 talks were organized, 66 of which were made available online. These were attended by 89,000 people, mostly via Zoom or Facebook Live.



89,000

people attended to Work Café Online Talks.

Accessibility

We are a responsible bank that promotes financial inclusion and strives to ensure that an increasing number of people have access to our financial services. We offer accessibility to our customers, covering basic banking transactions without having to visit a branch. We have achieved this through our correspondent banking network.



26,769

access points throughout the country, available 365 days a year.



43,169

vulnerable customers to whom we offer accessibility through our correspondent banks.



51,668,738

transactions through our correspondent banks, a 6.7% increase in a year-on-year comparison.

Correspondent Banks	
Total Branches	
OXXO	19,446
Telecomm	1,690
7 Eleven	1,873
Circle K	
K	1,212
Tiendas Extra	
Súper 7/24 MiX 1	136
Farmacias Guadalajara	2,300
Woolworth	
Tiendas del Sol	112
Total	26,769

Correspondent Banks	
Total Transactions	
OXXO	46,261,403
Telecomm	2,829,184
7 Eleven	1,496,886
Circle K, Tiendas Extra, K	112,914
Súper 7/24 MiX	36,729
Farmacias Guadalajara	912,544
Woolworth	
Tiendas del Sol	19,078
Total	51,668,738

Inclusive Branch

We inaugurated our first Inclusive Branch, a new format that supports our elderly customers or those with a disability, facilitating their operations and time spent at the branch. It has spaces for wheelchairs, expanded waiting areas, special desks and windows for the customer and the person accompanying them, and even an area for service animals.

Customer Protection

Personal Data Protection

The Personal Data Protection Policy defines the criteria that must be observed by all employees at *Grupo Financiero Santander México* as part of their activities to prevent, manage and control compliance risks regarding personal data protection that could affect Santander Mexico. Furthermore, it establishes the criteria that the Bank must establish in order to assure proper risk management measures for data protection compliance.

Our responsibility as a financial institution is to comply with data security standards in order to safeguard the personal data and sensitive information of our customers.

It is becoming more and more necessary to have data privacy and protection laws, which is why, through our Data Security Incident Management Policy and Privacy Notice, we ensure the proper handling of our customers' information, as well as providing them with opportune information about their rights.

Furthermore, to consolidate personal data protection measures for our customers, we have implemented the following actions:

- The creation of compliance areas within the Bank to identify the parties responsible for personal data protection.
- The classification of information and the creation of data inventories for the information being used.
- The creation of training manuals and courses, available to all our employees, that focus on data protection.



13,328

training hours in personal data protection.

Data Security Incident Management Policy

This policy is applicable under two scenarios:

1. It describes potential incidents that could occur and the way in which the latter should be reported.
2. It outlines the different measures and activities that should be implemented to indemnify, mitigate or sanction any damage caused. These actions include, among others: investigation, mitigation proposals, and corrective measures. This policy is designed and implemented by the Data Security Office (OSI).

Privacy Notice

Pursuant to legal requirements, we make this document, which stipulates the position of the Group with regard to the protection of personal data, available to users, in addition to describing, among others, the following concepts: definitions, information of responsible parties, information provided by the owner, purpose of the data use, limitations of data use and disclosure, and measures for exercising ARCO rights (Access, Rectification, Cancellation and Opposition).

Handling personal data is a major responsibility and is supervised at a global level in every market in which Grupo Financiero Santander operates. This is why there is an annual work plan to rate compliance with obligations, in addition to an annual assessment that encompasses a challenge regarding the risks in this area.

Furthermore, we are working to further expand our culture of personal data protection, spearheaded by Human Resources and Compliance through training sessions for the all our employees.

Principles of Consumer Protection

Our Consumer Protection Policy stipulates specific criteria to identify, regulate and exercise our customer's rights in terms of their relationship with us, in addition to stipulating specific compliance supervision and control criteria.

In 2018, we implemented the Principles of the Financial Consumer in our operations to ensure ethical business practices. There are ten indicators in total:

1. Transparency in Communication.
2. Fair and Respectful Treatment.
3. Responsible Pricing.
4. Design of Customer-Centric Products and Services.
5. Asset Protection.
6. Complaint Management.
7. Vulnerable Customers.

- 8. Financial Education.
- 9. Responsible Innovation.
- 10. Personal Data Protection.

Our first line of defense has a number of multi-level customer service channels and policies:

- Social networks.
- Clarification.
- Complaints and Customer Ombudsman.
- Branches.
- E-mail.
- Online banking.

In 2019, and as a second line of defense, the Compliance and Conduct area incorporated the Consumer Protection division, which monitors compliance with these ten indicators that focus on safeguarding the interests of the Bank's customers through ensuring transparency in communication, fair and respectful treatment, and personal data protection.

Through the analysis of quality surveys and social networks, we constantly bolster our methodology of the Ten Principles for the Financial Consumer in order to document the plans of action that help improve customer experiences. During 2020, we recorded an advance of 70%, and we will continue redoubling our efforts to perfect our methodology by establishing risk limits and implement a range of plans of action.

Our goal is to continue generating these indicators on a monthly basis, in addition to ensuring that each of these principles that measure consumer protection remain green, avoiding issues that could become a conduct risk or reputational risk or result in a fine being levied by the authorities.

We continue consolidating our culture of data protection through internal communication campaigns aimed at all employees within the Bank, in addition to promoting the proper use of these indicators to help safeguard our customers' data at all times.

Cybersecurity (103-2, 103-3)

Technologies are becoming more and more ubiquitous in our everyday activities, allowing us to use new tools to facilitate the use and management of our processes, as well as improving communication with our stakeholders.

We firmly believe that technology plays a key role in achieving success and streamlining our processes; however, we are aware of the dangers that exist by using these tools, which is why we strive to bolster our cybersecurity on an on-going basis.

We have a policy that focuses on the technological risks facing Grupo Financiero Santander México (GFSM), and we have implemented good practices to help safeguard data. We raise awareness among employees of the importance and the responsible use of data and the information technologies that are available to them.



Our five standards of Cybersecurity Conduct within GFSM are:

1. **Safeguard your data and your device.**
2. **Be discreet when online and in public.**
3. **Think before clicking and replying.**
4. **Keep your passwords safe.**
5. **If in doubt, report it.**

The goal of the Cybersecurity Risk Management Policy is to define, identify and manage risks that could compromise information of the web or mobile application assets at GFSM, in order to minimize the risk that these represent. As such, we have implemented a methodology, metrics and specific indicators that govern data security and mitigate the risk of cyberattacks that could have an impact on operations, reputation and electronic fraud.



Furthermore, the Bank has a Cybersecurity Incident Management Policy and a Cybersecurity Incident Response Process and Plan that determine how to respond to a cybersecurity incident. Cybersecurity incidents are detected by Global SOC (Security Operation Center), and a preliminary analysis is undertaken to rule out any false positives.

In the event of a cybersecurity incident, Global SOC sends an alert to the local cybersecurity incident response team and, based on the category of the incident, analysis is then undertaken about whether or not to follow a specific playbook. Stemming from this analysis, the local team can then declare a cyber-incident has occurred and implement the activities outlined in this Cybersecurity Incident Response Process.

Through training sessions, internal communication campaigns and other activities, we raise awareness among our employees of the importance of cybersecurity to help them avoid falling victim to malicious e-mails, calls, text messages or messages via social networks, which is also known as phishing, a tool used by criminals to steal information. The Awareness Program encompasses:

- Ethical phishing campaigns for all employees (at least four campaigns per year).
- Hacktober: a web seminar which is part of a continuous training initiative.
- Cyber Heroes: a cyber security recertification initiative.
- Corporate communication regarding data security controls, behaviors and external events that focus on cybersecurity.

We have a channel that our employees can use to report any suspicious activity by sending an e-mail to the following e-mail addresses - csirt@santander.com.mx or cybersecurity@gruposantander.com – and adding a screenshot.

Events that should be reported include:

- The theft or loss of information belonging to Santander, Santander IT systems, or personal devices that contain information about Santander, including computers, mobile devices, storage devices and documents.
- Suspicious phone calls or information requests about Santander.

- Suspicious external devices connected to computers.
- Signs of unauthorized access. For example, unexplained pop-up windows or sign-in requests.
- Extortion or ransom demands that affect technological, services, infrastructure or information systems, or threats to distribute information via the media or other public channels that could affect Santander's reputation.
- Any e-mail that is suspected of being a phishing scam.

Customer Ombudsman

The opinions of our customers play a fundamental role in helping us improve the services we offer as a financial institution, which is why we have an institutional model to listen to them.

The Customer Ombudsman model has been perfected since it was first implemented more than ten years ago. It is coordinated by third parties, meaning that the conflict resolution process is objective, efficient and transparent.

Customer Ombudsman Tools

Corporate Tableau

It provides information to monitor customer participation in issues that are handled and resolved by the Customer Ombudsman.

NeoJúpiter

It allows employees from the Commercial and Personal Banking departments to understand which customers are being supported by the Customer Ombudsman, in addition to providing them with a complete overview of their customers' situations



77.5%

of cases were ruled in favor of the customer.

2020	
Cases received	3,878
Cases closed	3,288
Cases ruled in favor of the customer	2,549

Reporting channel	Number of cases
Telephone	82*
E-mail	2,796
In Person	30*
Web	663
Other Channels	307**

*As a result of the COVID-19 pandemic, the Customer Ombudsman started working remotely in March, which is why the 82 reports made via telephone correspond to the months of January and February and the first 13 days of March.

**This area does not include internal and external recommendations, reports channeled to other areas, and social networks, among other avenues.

As a result of the public health crisis, the Customer Ombudsman – which falls under the auspices of the Customer Service area – was forced to modify the way in which it operates, focusing now on a remote working model, which is why customers have not been offered face-to-face service, instead focusing on providing support via e-mail and social networks.

Business Practices

In a globalized world, the economy and business practices are in a state of constant evolution. In our role as a Responsible Bank, we are firmly committed to society and to the environment, helping to contribute to a better future, which is why we must comply with competitive business practices.

At Santander, we strive every single day to guarantee that our products and services are not only innovative but also sustainable, in addition to ensuring our employees offer the highest levels of service that our customers deserve.

As part of our strategy to engage with our clients, we use responsible marketing and conscious partnerships, in addition to measuring the social and environmental impact of our operations.

Responsible Marketing

Marketing is fundamentally important to any business as it helps ensure that customers are aware of their products and services. As a socially responsible bank, we use marketing help drive the visibility of our social and environmental campaigns, in addition to our commitment to people, companies and the environment in which we operate.

During 2020, we implemented the following measures:

- Reduction in the amount of printed advertising at branches. As a result of the pandemic, printed materials were kept to a minimum and we incentivized the use of online banking billboards.
- Suppliers of outdoor advertising use biodegradable inks.
- Focus on using digital billboards rather than traditional printed ones.

Our 2020 Image and Brand Tracking achieved the following results:

- Within the top three banks in the Brand Visibility indicator among the eight leading banking brands in the country.
- Within the top three banks in Top of Mind Advertising Visibility.
- One of the banks with the lowest levels of rejection among non-customers.
- In Image indicators for "Simple, Personal and Fair", Santander is positioned within the top three as a bank that is easy to work with and has flexible and simple processes.

In Image and Positioning indicators regarding brand building, we are positioned within the top three in the following areas:

- Leading bank.
- Reliable bank.
- Innovative bank.

During the pandemic, in accordance with the Global Barometer, our customers perceived us to be:

- The bank doing the most to help society during the pandemic.
- An institution that is implementing measures to be able to continue handling customer transactions as usual.

We have seen improved performance in:






- Security when using credit and debit cards while shopping online.
- Digital channel experiences (*Supermóvil/Supernet*).
- Communication with customers.

Social Networks

The use of social networks as a communication and advertising channel has allowed us to interact with our stakeholders in a constant and active manner. Through Facebook, Twitter and YouTube, we share videos, infographics and news relating to areas such as financial education and data protection, among others, in addition to social campaigns.

As a result of the COVID-19 pandemic, during 2020 we promoted a range of campaigns to help tackle this crisis, including:

- *#YoMeQuedoEnCasa*: the first awareness campaign about quarantining in our homes was deployed in March, making us pioneers within the Mexican banking industry regarding COVID-19 communication. We reached 950,854 users.
- Three-month support programs for customers: this campaign was launched to inform customers of the support available to them as a result of the pandemic. We reached 5,587,175 users.
- Support for doctors: we donated personal protection equipment and a range of medical supplies to frontline medical workers. We reached 881,603 users.

	Total Followers 2020	Increase vs. 2019
 YouTube Banco Santander	86,100	96.32%
 Facebook Santander México	2,329,401	7.12%
 Twitter @SantanderMx	301,651	11.50%
 Instagram santander_mex	27,182	101.65%
 LinkedIn Banco Santander México	132,483	114.20%

Campaigns and Sponsorship

In previous years, we have listened to what our customers have had to say and responded by coordinating sponsorship agreements for cultural, sporting or entertainment events; however, as a result of the public health crisis, during 2020 it was impossible for us to focus on any sponsorship. It is a fact that we will continue focusing on the needs and interests of our stakeholders.

In 2020, we focused on the following campaigns:

Rat Season

The goal of this campaign was to raise awareness and inform customers about the different types of fraud.

Infoless Card

We provided our customers with information about the safest card available on the market as it has no numbers or security code, in addition showing them how to apply this to their personal/conventional card.

The Digital World

The goal of this campaign was to position our digital banking as the most comprehensive option available on the market, promoting *SuperMóvil*, *Súper Wallet* and *SuperNet*.

Given the public health crisis, we implemented the following campaigns:

Volver Institutional Campaign

We focused on transmitting a message of optimism and hope among users to showcase what we are doing for the future of Mexico.



Caped Heroes

We recognized the work being done by healthcare professionals during the pandemic.

New product marketing and transparency

We are aware that ensuring transparency when launching new products is a major challenge, but we are convinced that it is our obligation to inform our customers about the benefits and possible drawbacks.

We have a Local Marketing Committee (CLC) that is tasked with evaluating and mitigating any conduct, reputational and operational risks that may exist during the design, sale and after-sales processes for product marketing. This committee is

also responsible for guaranteeing that the products and services comply with market requirements and customer needs.

We also have a Local Product and Service Monitoring Committee, through which we monitor the behavior of approved products and services. In the event that any of these products or services do not comply with the stipulated terms, they are dropped.

We currently have a number of working groups that are developing initiatives that focus on customer opinions and combine processes and products to meet their most recent needs, transforming the concept of how we market products and services by putting our customers before the business and market conditions. One of these initiatives is to create a figure to serve as a focal point for the needs of the Bank's internal and external customers, in addition to finding solutions to the most deteriorated processes and renewing them, in keeping with the vision of our customers.

All communication with customers must comply with the transparency guidelines established in the laws governing Credit Institutions and Multiple Purpose Financial Institutions, both of which are regulated and supervised by CONDUSEF.

Furthermore, we have established procedures to ensure that all communication is reviewed by Legal and Compliance prior to being published, specifically through the Consumer Protection area, which guarantees that the information communicated to customers is ethical, transparent, legal and in compliance with the criteria contained in the Principle of Transparent Communication, which is contained in Consumer Protection Policy.

During 2020:

- We focused on creating a service protocol for vulnerable and diverse customers at our branches.
- We implemented standards of conduct for recovery and collections.
- We promoted our Compliance channel, through which we focus on providing continuous training to employees in the areas of compliance and conduct.



The Local Marketing Committee's (CLC) focus is to:

- Ensure compliance with applicable laws.
- Verify the marketing risk of the product or service is in keeping with the Group's risk appetite.
- Define a feasibility study for each product and service, including the analysis of all technological advances and tools required to guarantee their development.
- Ensure the product or service matches the organization's catalog.
- Ensure the financial products are accurately classified, in accordance with the corporation's methodology.
- Clearly define the target audience, focusing on its characteristics and needs.
- Establish clear controls to ensure the product/service is not marketed to customers who are not part of the target audience.
- Define the proper channels for marketing each product/service ensuring a transparent and ethical approach.
- Ensure that all appropriate documentation (advertising, commercial, precontractual, contractual and post-contractual) for each product or service, customer, and marketing category is determined during the approval process, and, in each case, ensure that the information for customers is both clear and transparent.



Customer actions during the COVID-19 pandemic

Debtor Support Programs

We listened to 130,000 of our customers who registered for this support program in order to better understand their emotional and financial situation, in addition to their needs as a result of the pandemic. Through the collaboration of more than 30 areas within the Bank, we successfully handled renewals and collections for this group of customers by implementing communication and management best practices to improve their overall experience.

Branches

As a result of the pandemic, some of our branches throughout the country have been operating intermittently. We work in compliance with the protocols established by the authorities, implementing all necessary hygiene and safety measures. We provided 25,000 sanitizing kits (antibacterial gel, facemasks and a bag) and 100,000 facemasks for employees and customers.

During the pandemic, the service capacity at our branches has been reduced; we started with 50% of our employees being available at the branch, a number that increased gradually until reaching 75%. The goal of this measure was to guarantee the safety of our customers and our employees. We also created a 10X10 service protocol based on the fact that the maximum capacity allowed within the branch at any one time was ten people.

e-SPUG Launch

Another measure employed to mitigate the impact caused by the public health crisis and to support businesses in the country was the launch of an app to make payments immediately without the need for a terminal nor an online payment gateway. It is so simple to use that you only need to have a cellphone or a computer, access the website and sign up, be it with a Santander account or an account from any other bank. Then, [e-SPUG](#) generates a payment link that can be shared via any instant messaging app. This process encompasses the highest security measures and allows businesses to make the sales process more agile, in addition to promoting remote sales.

Digital transformation

(103-2, 103-3)

One of our main priorities lies in adapting to the constant technological changes stemming from the digital era. The integration of new technologies into our business will allow us to streamline processes, improve our competitiveness, and offer added value to our customers by improving products and services.



We know that digital transformation is no longer just an option, as we must adapt to technological innovations in order to remain viable. We have been working to ensure that digitalization is part of our business and part of our culture.

Without a shadow of a doubt, our employees play a fundamental role in our transition toward the digital era, and we are extremely proud of their hard work and enthusiasm. This has allowed us to improve our performance as a Bank and our processes, in order to offer innovative product and services that satisfy the needs of our customers.

Digitalization of Channels and Platforms

Technology has been one of our closest allies in improving customer experiences. It has allowed us to optimize accessibility to our platforms and to meet the needs of our users; however, we continue to work tirelessly to perfect our services.

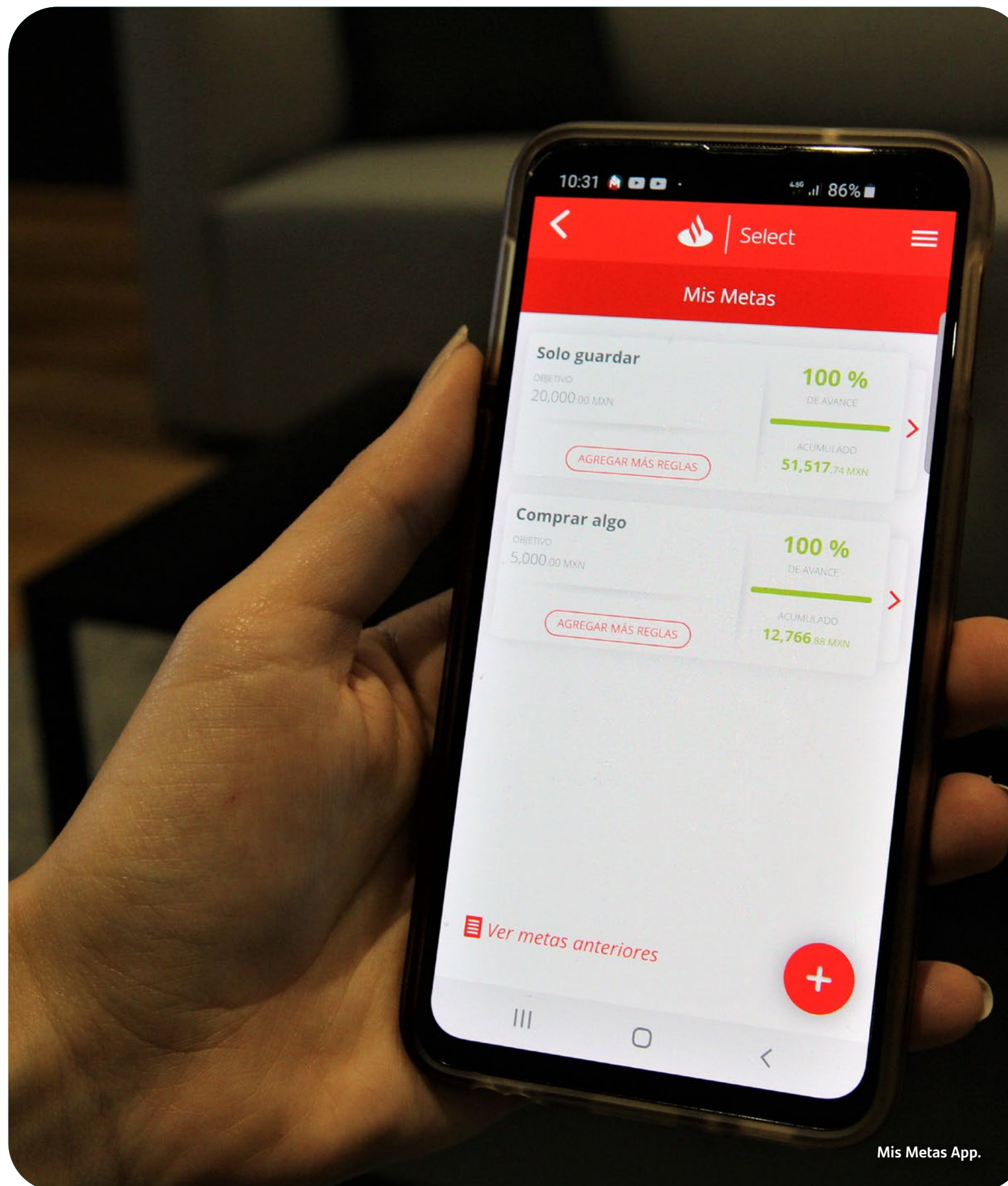
Santander Personal: This remote customer support channel helps us better engage with our digital customers through an active communication platform with specialist consultants

Investment in Innovation and Technology

We are convinced that having access to the best technological tools not only makes us a competitive bank, but it also allows us to bolster our relationship with our customers.

We have a digital factory called Spotlight, which works on creating and implementing new projects, accelerating the speed of our digital banking transformation.

In 2020, we reached a number of milestones. A number of our apps were recognized for the outstanding value that they offer the financial sector; we implemented new platforms to improve our customer experience; and, we continued supporting Mexican society by creating an app to mitigate the effects caused by the COVID-19 pandemic. Our leading platforms include:



Mis Metas App.

Santander TAP: This tool allows customers to make payments to any bank in a matter of seconds from their preferred instant messaging app, without them having to know the bank account of the recipient and from as little as MXN \$10. Customers have seen this as a valuable solution, perceiving Santander to be an innovative bank. 19 months after its launch, more than 400,000 customers have signed up for this service and made a total of 1.6 million payments to the tune of MXN \$820 million.

Mis Metas (My Goals): In order to promote savings and financial education, in 2020 we developed the Mis Metas (My Goals) tool, the first of its kind based on behavioral sciences to promote savings and allow customers to set their own savings goals based on their individual needs. Customers can schedule and automate their savings goals based on the seven available categories: Monto Fijo, Redondeo, Disfruta y Guarda, Apartanómina, Reto 52, Ahorra TAP and Pasión Futbolera.

In 2020, Mis Metas was the recipient of two awards presented by Fintech Americas, a community specializing in financial transformation in Latin America. In May, it received the Platinum award, the highest possible honor for Financial Innovation in Mexico. In November, it won the Gold award in the Disruptive category for the Americas. This platform was selected from more than 100 innovations from banks and financial institutions from 20 countries, covering a wide variety of innovation and transformation initiatives.

CoDi: This is a digital payment model that uses QR codes; it is regulated by the Bank of Mexico and obligatory for all banks. Santander was the first bank to be certified by the Bank of Mexico (Banxico) to use CoDi, launching the service on-time and participating in pilot programs in Tulancingo, La Paz and Progreso. In 2020, a total investment of MXN \$17.8 million was made in this project.

SuperRED: We designed this Digital Merchant concept via SuperRED, a technological platform that offers integrated financial services for small businesses. Using innovation to drive financial inclusion is one of our strategic priorities.

During stage one of the pilot program, rolled out throughout 2020, this solution was installed at more than 1,700 convenience stores, offering shop owners access to a bank account, the opportunity to improve their business through the use of digital tools (inventory, product control, etc.), the option to accept payments with cards and CoDi, the option to accept payments for services, and the chance to collect points for every sale. In 2020, an investment of MXN \$16 million was earmarked for this project, and stage two is currently being evaluated.

COVID-19 App: In collaboration with another financial institution, we developed and delivered to the Mexican government a digital platform to help implement best practices in the management of the impact of COVID-19 among the Mexican population. The goals of this app were:

- To provide official and transparent information.
- To develop an easy-to-use, intuitive and scalable tool.
- To offer the government real-time information for the decision-making process.

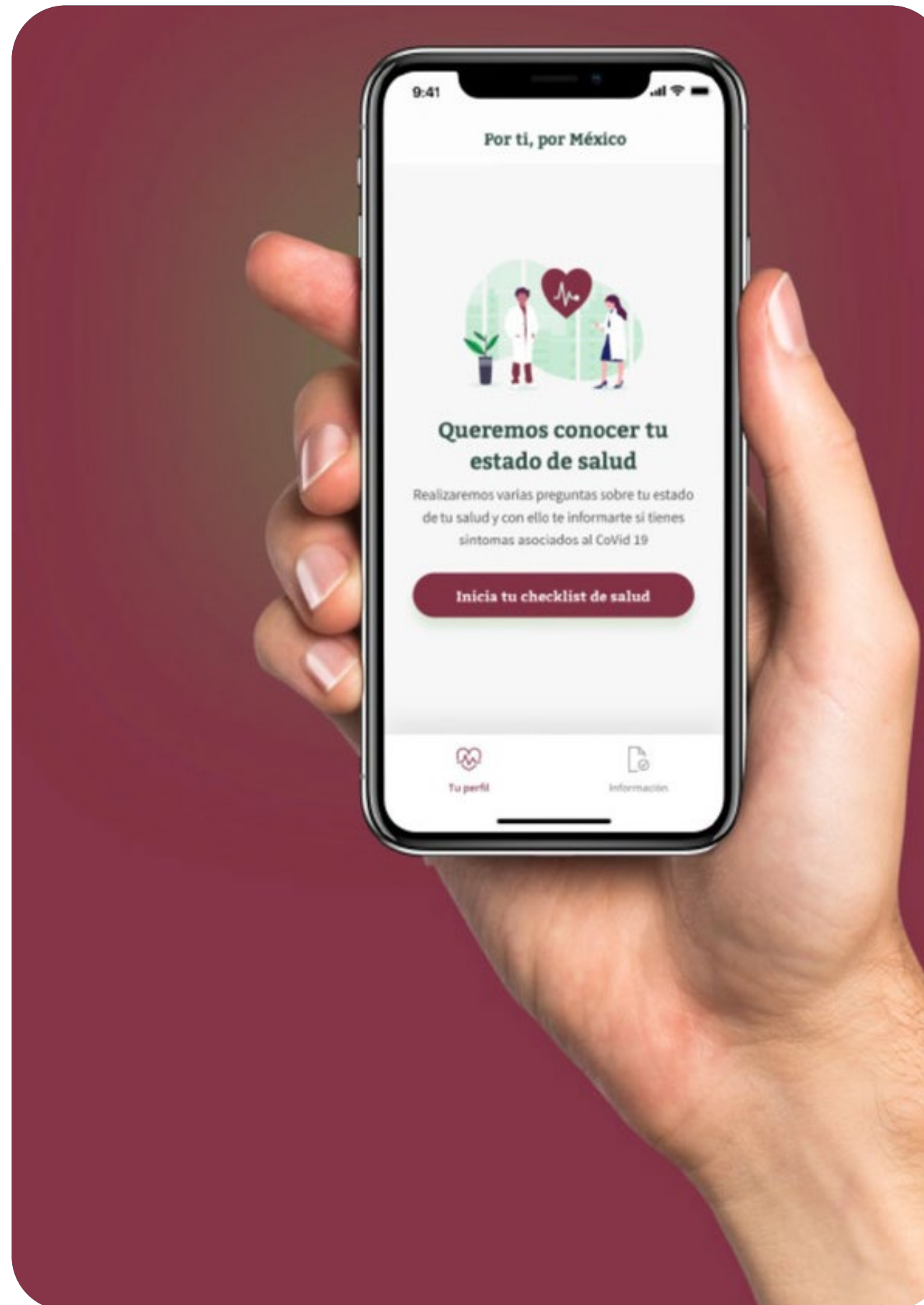
The apps for the federal government and the government of Mexico City were rolled out in May 2020, offering 4 basic functions: Self-diagnosis; Recommendations, News and FAQ's; Health Centers; and, Push notifications. By the end of 2020, it had been downloaded more than 1.4 million times.

Santander Móvil App: In order to provide our customers with an outstanding experience, we rolled out this new transactional app, through BaaS, that allows customers to carry out most operations in just a few clicks. We also simplified the way in which they interact with our mobile banking by offering just one screen for features and information relating to the financial life of our users.

This is the merger of two of the bank's most important apps: Super Móvil and Super Wallet. It is one of the first steps in providing our customers with a social and tailor-made experience.

Santander Universities App: This offers the same features as the *Santander Móvil* app but with a more modern look, focusing on our university customers.

BaaS: This new open digital platform uses API's to offer a multi-channel service to our customers and the opportunity to transversally create digital, reusable and scalable products by providing a consistent experience for all our customers. This allows us to compete with major technologies and become prepared for the regulation of Open Banking.



100% Digital Account Onboarding: This is a new channel to attract customers in a 100% remote and digital format without them having to visit a branch. This represents a milestone in our journey toward the digital transformation of our Bank. It also allows us to be the first point of contact for the customer, ensuring full-time availability for the opening of an account.

Virtual Assistant for SuperNET: The goal of our new virtual assistant, who is called Sandi, is to provide support to our customers with their finances. The main function of this assistant is to answer questions, and Sandi will eventually evolve and be able to help with transactional operations. Since 2020, Sandi has been available via SuperNET and our branch network, offering a total of more than 134 available conversations between both areas.

SuperMóvil App: This is our key digital banking product and our major sales channel, in addition to representing the way in which we most interact digitally with our customers.



5 million

digital customers during 2020: 1 million more than in 2019.

In April 2020, we proudly announced that IT Masters Magazine had named Carlos Marmolejo, our Executive Director of Innovation, 2019 IT Master.

This award evaluates performance, leadership, career, business development and social impact. It is a fact that products such as SuperRED, Santander TAP and Mis Metas have helped differentiate us within the market.



Santander Alliance – Fundación AMA

Inclusive and Sustainable Growth

Financial empowerment and inclusion

Environmental footprint

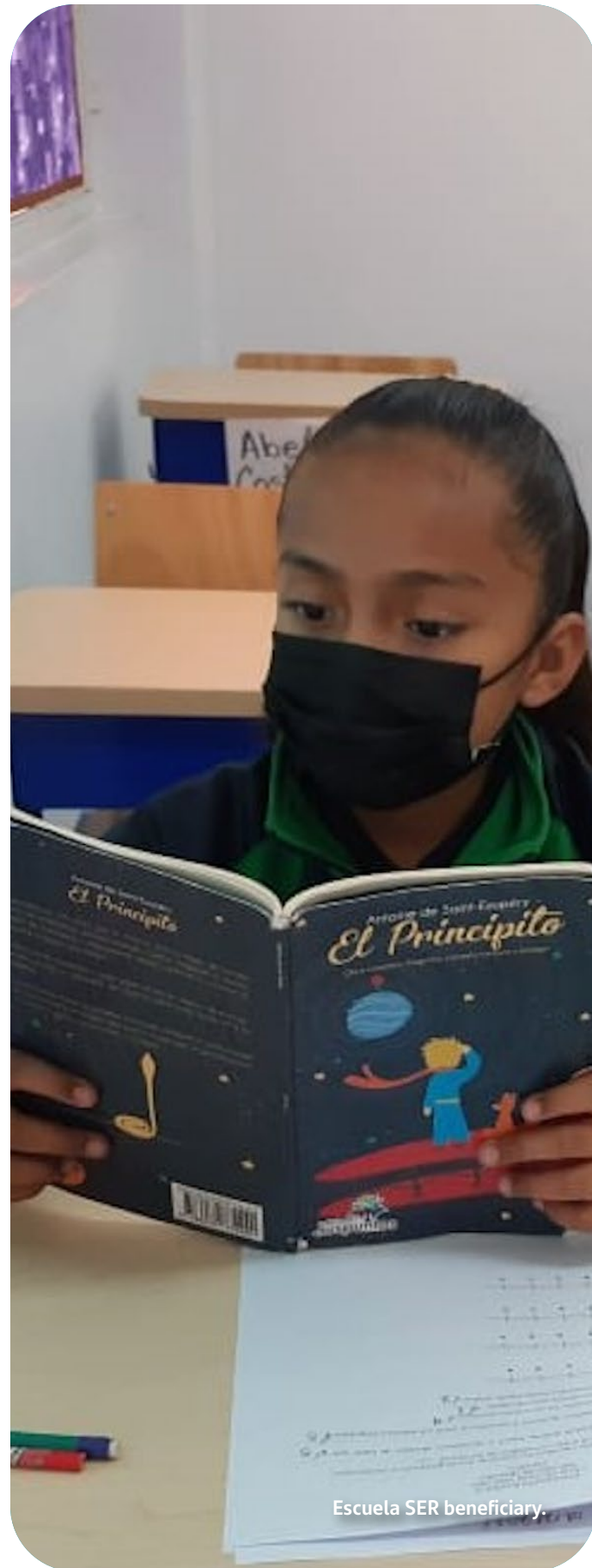
Higher education support

Our commitment with society



FPM beneficiaries.

To contribute to the inclusive and sustainable growth of the communities in which we operate, in addition to meeting the needs of our customers, we have a series of programs that promote financial inclusion, entrepreneurship, the creation of jobs, education, and the transition to a low-carbon economy. To achieve this, we focus on social and environmental risks in order to guarantee social welfare.



Escuela SER beneficiary.

As part of our responsible banking goals, we implement a range of programs that contribute to the progress of society and environmental conservation, guaranteeing a better future for all. We have achieved this through initiatives that support higher education, entrepreneurship, job creation and financial inclusion.



million in social investment.

*Total: 177,167,060.18 of which 51% corresponds to Universities, 26.6% to the Bank, 14.8% to clients and 7.6% to employees.



40 social investment initiatives¹⁴ that benefitted **64,411** during the year.



in the issuance of the first **Social Gender Bond in Mexico** alongside FIRA¹⁵.



microloans granted through Tuio.



scholarships awarded to young university students in the country.

14. Volunteering, donations, ATM fundraising and FPNM
15. Fideicomisos Instituidos en Relación con la Agricultura.



the first sustainable Equity Investment Fund (**SAM-ESG**) with sustainability criteria in Mexico.



of all procurement is undertaken with **domestic suppliers**.



people benefitted through financial education programs.



million invested in the Higher Education Support Plan (**PAES**).

Financial empowerment and inclusion

(103-2, 103-3)

We contribute to the development and progress of new businesses by offering loans and financing with a social and environmental focus, in addition to programs that promote internationalization and connectivity while driving job creation and professionalization. Actions like these position us as one of the leading partners for Mexican entrepreneurs, helping them feel like they are being supported in reaching their goals.



Virtual stand Financial Education Week 2020.



After the pandemic left her without work, Mercedes Cruz started her own business selling food door-to-door with her mother-in-law. Through Tuiio, we offered her a loan and financial education to help her start her company, El Sazón de Ángel, and begin generating income to look after her family.

"What we like most about Tuiio is the fact that they gave us a debit card that allows us to save, buy products and continue moving forward. Knowing that we have money on the card, I no longer feel worried. Without this loan, we would never have been able to get the business off the ground. We started at square one with that money. I would like to thank them for having helped us to build something and allowed us to look to the future."

Mercedes Cruz,
Tuiio Customer.

Success Story

El Sazón de Ángel

Tizayuca, Hidalgo, México



To find out
MORE

SME Programs

Our goal is to become a leading player in helping people and companies prosper in Mexico because we know that achieving sustainable and inclusive growth is only possible by working together. This is why we offer a range of services to SME's, helping them continue creating jobs and driving community economic development.

In order to help Small and Medium-sized Enterprises that are just starting out, Santander SME focuses on five major areas: Talent and Training, Employment, Internationalization, Connectivity and Financing.

We also loans that focus on social and environmental issues:



Emprendedores:

Loans for entrepreneurs who want to start their own business but who do not have the capital to do so.



Crédito Agro:

Financing aimed at customers who work in the primary and commercialization, agricultural, livestock or rural services sectors. Payments are aligned with the agricultural cycle.



Impulsos comerciales:

Financial support to promote entrepreneurship in specialist sectors in Mexico.



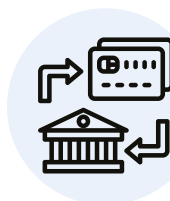
Mujeres empresarias:

Financing to help drive the growth and modernization of companies owned by women and remove access barriers. Offered in conjunction with NAFIN.



Mujer crezcamos juntas:

In conjunction with the Federal Government, we offer loans exclusively for female entrepreneurs who have a business they want to refurbish, modernize, equip, fix and/or expand.



8,700

customers with **Crédito Agro.**



29

loans for SME's and entrepreneurs focusing on social and environmental issues.



To help local SME's grow, we support them in forging business alliances and relationships with some of our partners. We achieve this through international business support and outreach programs to offer Small and Medium-sized Enterprises the opportunity to export and import their products through the following programs:

Santander Trade: This service supports our customers in their efforts to expand internationally through access to information about the international market, global databases, international directories and tailor-made services.

International Desk: This center provides help in consolidating the international operations of our SME customers through our international network of commercial banks and up-to-date information regarding financial products.

SME Advance

We offer SME's access to a series of online courses that focus on a range of topics. As a result of the pandemic, no scholarships were awarded for face-to-face courses given that this non-financial support migrated to a webinar-based program. The topics focused on covering questions of interest to our customers: an SME survival plan and the SME panorama in Mexico, among others.



Webinars

were offered in conjunction with **Work Café Santander, the Wadhvani Foundation and Universidad Anáhuac.**



+2,900

users benefitted through 15 digital events.

Inclusive Economy

As part of our strategy to have a greater impact on the SME sector, we forged the following alliances:

Avanttia: It offers a cloud-based billing system that is accessible from any device with an Internet connection, allowing business owners to streamline their billing processes and ensure compliance with tax processes in Mexico.

Cívico: Through crowdsourcing, this digital service allows SME's to map relevant local business information to identify and connect with potential customers, helping drive their joint economic development.

Santander SME Online Loan

As part of our efforts to streamline our processes, we now offer our SME and young entrepreneur customers the opportunity to request loans online. This has enabled us to accelerate customer response times from 48 hours to just 60 minutes after approval. We have two online loan models:

- *Crédito Simple* for working capital, with terms of between 12 and 36 months.
- *Crédito Ágil* for working capital, with a 12-month term.

This allows us to quickly and easily receive loan requests, assess the information received and determine if the applicant complies with all requirements.



SME talks at Work Café.

a55: SME Loan Fintech

Since 2014, through our venture capital fund, Santander InnoVentures, we have invested in more than 30 companies to help support the growth of entrepreneurs and their businesses. In 2020, we invested in a55, a Latin American fintech that offers loans to SME's underpinned by the companies' revenues. This works through a technological platform that connects bank accounts, custody solutions, invoicing, payment methods, credit intelligence, and information about the companies' revenues, in addition to offering portfolio management and control in real time.

SME Digital App

Santander Móvil PyMEs allows SME's to make mass transfers and payroll and tax payments, in addition to providing them with a digital account and the cross selling of digital products.

SME Website

We created a new website that offers the best user experience (UX) through the incorporation of all the products that our SME area offers its customers.



Our amplification

of social network posts includes institutions such as WeWork and the Better Business Bureau Mexico.

Joint-Stock Companies (SAS)

In order to promote the SME Online Onboarding process, we forged a strategic agreement with the Ministry of the Economy, making us the first bank in Mexico to recognize companies that have been registered as Joint-Stock Companies (SAS).

This agreement was developed to promote the online creation of enterprises by young entrepreneurs in order to drive support for these companies from the financial sector. The goals of this model include:

- Facilitating the opening of bank accounts for entrepreneurs that offer benefits from financial institutions.
- Facilitating the operations of entrepreneurs by leveraging secure and simple technological models.
- Driving the consolidation of companies by simplifying the paperwork associated with corporate life.

 **2,000**

new accounts opened for SAS in 2020 through SME Online Onboarding.

As a result of the COVID-19 pandemic, we supported SME's through programs to help mitigate the impact of this public health crisis and overcome it. Some of these programs include:

Industry Debtor Support Program (PGAD)

In April 2020, we rolled out the Industry Debtor Support Program (PGAD) to help our customers during the COVID-19 pandemic. We forecasted that our credit portfolio will recover during the second quarter of 2021, focusing on sectors that could see faster recovery, such as is the case with the agribusiness, health, import/export (as a result of the USMCA), manufacturing and maquila sectors, among others.



Free Training for SME's

In conjunction with Universidad Anáhuac and the Wahdwani Foundation, we offered free training to more than 3,000 SME's through online webinars that covered topics such as digital transformation, human resources, and resilience, resources that are necessary to tackle the crisis stemming from the pandemic.

Financial Inclusion

Access to basic banking services is one of the key factors in driving economic development. That is why we are committed to guaranteeing that the most vulnerable sectors of society have access to quality financial services. These are services that have been adapted to the needs of each person and promote financial resource planning through opportune and effective financial education.

tuiio[®]
FINANZAS DE TÚ A TÚ

Microloans (FS13)

Our goal is to have a sustainable and profitable social impact that drives economic growth and promotes financial inclusion. Through the microloans we offer entrepreneurs, we help contribute to making their businesses a success. This service is offered through our Financial Inclusion division: "Tuiio, Finanzas de tú a tú".

Tuiio offers financial products and services to low-income sectors in Mexico. The majority of its customers are women entrepreneurs who are not part of the formal economy and who are generally excluded from formal financial institutions.

The Tuiio customer support model currently comprises 83 branches and two kiosks, enabling us to directly support our customers, which helps drive engagement with them during the product sign-up process.



Tuiio beneficiaries.

In 2020:



customers served since 2017.



of active customers are women.



loans approved.



active insurance policies.



microbusiness owners with an active loan.



active medical assistance policies.



invested in the development of system for the microfinance market.

In order to offer financial and non-financial services to its customers, Tuiio focuses on four major areas:

- Inclusive Growth
- Digital Revolution.
- Accessibility
- Customer Protection.

The major support services offered include:

- **Courses** that help customers to use financial services (savings, credit, budgeting, use of ATM's).
- **An app for children** (6-10 years old) and printed educational materials, covering issues such as water and energy savings, expenses, savings goals, and the environment.
- **Support networks:** A digital market offering exclusive benefits to members of the Tuiio community, including discounts, workshops, courses and collaborative workspaces at Tuiio branches.
- **Financial tips and digital simulations.**
- **Calculators and podcasts on the Tuiio website** that help customers quickly and easily access information about their ability to pay, savings goals and business administration.



new unique customers.

All Tuiio customers have access to:

100% online and commission-free savings accounts.

A debit card that is linked to the account.

We measure the short-, mid- and long-term social impacts of Tuiio based on the generation of responsible and shared value.

Products

The product lines offered by Tuiio include:

Savings

Our customers have access to an online savings account that is opened remotely by consultants, offering users mobile and online banking tools. They can also access their account via their debit card.

Insurance

We offer an insurance policy for serious illnesses and funeral expenses. In order to better protect our customers and reduce the impact of any unforeseen circumstances, in 2020 we made some modifications to our life insurance, including increasing the age range covered and the coverage of debtor balance, as well as providing an advance for terminal illnesses, now available through Zurich Santander.

We also launched new medical support services, helping contribute to the culture of prevention and facilitating access for our customers to specialist doctors, dentists and laboratories. These support services encompass the entire family, offering them access to medical check-ups with specialists and dental hygiene services.



Learn more about the experience one of our customers had with ["Tu Cuidado Médico"](#).

Through Tuiio, we also offer:

Membership of the Anuncio Tuiio Digital Directory

With more than 19,000 commercial affiliates, we offer our customers free access to this tool to promote their businesses.

Digital Tools Campaign

We offer advice and support on how to download digital apps and use them, helping customers complete transactions from home as a result of the pandemic.

Tuiio Móvil App

The second version of the app was rolled out, allowing customers to make payments using debit cards from any bank and check the balance of group and individual loans.

Tuiio Partnerships

CEOP Partnership for Economic Inclusion

Tuiio participates actively in forging partnerships to drive financial empowerment and inclusion. Among the working groups we are a member of is Project 365, which is part of the CEO Partnership for Financial Inclusion, a program in which Axa, MasterCard, PepsiCo and Unilever are also involved.

The Tuiio team also took part in international conferences, including the virtual conference entitled "Innovative Financing and Women's Empowerment" organized by UN Women and the IE School of Global and Public Affairs, in addition to a panel entitled "Financial Inclusion: More Important Than Ever", which was organized as part of the Fintech Americas Conference.

Tuiio Support - Federal Government Loans

Tuiio launched a support program for its customers as a result of the pandemic, including:

- Extended payment deadlines
- Displacements
- Grace periods
- Interest write-offs

The Mexican government launched a program to support a million micro-business owners affected by the pandemic, mainly focusing on those found in urban areas who have been affected by decreased activity as a result of precautions taken to halt the spread of the virus.

Through Tuiio, we manage a third of these beneficiaries, and, as a value-added service, we offer them the option to pay loans via the *Tuiio Móvil* app. We also developed Financial Education content for them, in addition to providing them with access to the digital *Anuncio Tuiio* directory and an exclusive Tuiio that offers discounts and promotions.

Since its launch, this program has had a positive impact on 238,184 people directly.

Financial Education (FS16)

Our goal lies firmly in support Mexican families, especially their youngest members, ensuring they have the information and tools they need to manage their resources properly and take informed decisions in order to improve their economic well-being.

The Bank has focused its financial education efforts on audiovisual resources and social networks, convinced, on the one hand, that this is an effective learning method, and, on the other hand, taking into consideration the fact that distance learning has become an essential tool during the COVID-19 pandemic.

The major actions undertaken in the area of financial education in 2020 include:

Santander Financial Education Website

During 2020, we continued striving to improve the content of the [Bank's Financial Education website](#). The page includes a course covering the basic concepts of personal finances, as part of the institutional ABC of Your Finances program, created in conjunction with the ABM and MIDE and which has been approved by the National Commission for the Protection and Defense of Users of Financial Services (CONDUSEF).

Furthermore, the site includes content from our financial inclusion program, Tuiio, focusing on the unbanked, new ventures, and materials for children, including games or audio stories and other content to help college students embark on their financial lives.

Finally, we offer innovative and interactive materials, such as calculators and simulators, as well as content to help raise awareness and promote the adoption of the Digital Collection (CoDi) payment system.

Bobashi Financial Education

Through the course entitled *What's Up with My Finances?*, in July and August 2020, we offered financial support to people from the Mazahua-Otomi community.

Tuiio Financial Education Website

Tuiio consolidated its financial education strategy by generating its own content and launching a [website](#) focusing on this issue, enabling it to develop materials with financial and health tips during the pandemic.

Podcasts (audio stories) for children were also created and distributed via WhatsApp to share information about coronavirus and digital currency, among other areas. This content is available to the general public via Tuiio's social networks.

Financial Education for SME's

In conjunction with Work Café Santander, the Wadhvani Foundation and Universidad Anáhuac, we gave SME's access to a series of webinars with the aim of giving them tools to carry out a survival plan on the axes of marketing, Finance and HRM. The virtual talks focused on the following topics:

- Macro and micro economic scenarios.
- How to manage finances in times of crisis.
- Legal and accounting points to take into account to continue operating in the middle of a crisis.
- Introduction to online commerce, recommendations to go digital.

(FS16)

National Financial Education Week

Every year, the federal government, through the National Commission for the Protection and Defense of Users of Financial Services (CONDUSEF), organizes National Financial Education Week (SNEF). The event offers public, private, social and educational institutions from around the country a forum for conferences, games and activities relating to financial education, at no cost to the general public.

In light of the COVID-19 pandemic, SNEF 2020 was held virtually for the first time ever, and Santander participated through a virtual stand offering financial education material – content on the CONDUSEF website aimed at children, young people, adults, the elderly, and entrepreneurs. Furthermore, from November 4 to 18, a series of 16 virtual conferences with financial education experts was held via Work Café Santander. In total, Santander offered financial education.

Financial Education Employee Training

Just as we focus on broadening the financial education horizons of our customers and the community as a whole, we also strive to do the same with our employees.

In September 2020, Santander Mexico developed and rolled out a three-module financial education course. This online course is offered via the Academia MX platform and includes basic concepts about the management of personal finances, loans and insurance.

Furthermore, through internal communication campaigns, we invited employees to join the Santander Financial Education program to help them take control of their finances and be prepared for the future through guidance from a financial coach, Academia MX courses, AMX Talks and a range of training programs.



In 2020, CONDUSEF and Tuio invited our employees to take part in the Financial Education Diploma, the goal of which was to consolidate their skills in and raise their awareness of financial products and services, in addition to promoting better money management.

Sustainable Finances

As part of our Responsible Banking Agenda, we support sustainable financing, taking into consideration Environmental, Social and Governance (ESG) criteria. We focus on promoting projects that aim to benefit the environment and drive progress within society.

Green, Social and Sustainable Bonds

The funds from sustainable bonds are used exclusively to finance a combination of social and environmental programs, which are aligned with the Green Bond Principles and Social Bond Principles of the International Capital Market Association (ICMA).

To drive projects that have a positive impact on both the environment and society, we spearhead the issuing of sustainable bonds through Santander Corporate and Investment Banking (SCIB) Mexico. As part of these debt instruments, issuers provide us with relevant information and evidence of their projects, including:

(103-2, 103-3)

- How the resources have been used.
- A report on investment percentages.
- Results.

The Debt Capital Markets (DCM) division, which is part of SCIB Mexico, has participated on the local market using an ESG format in the following public transactions:



Green Bond: FEFA 20V

In conjunction with the Special Fund for Agricultural Funding (FEFA), we acted as a joint bookrunner to issue this bond, the goal of which is to finance projects that seek to drive environmental benefits associated with climate change: reduced GHG emissions, water savings, the decreased use of agrochemicals, improved working conditions, soil conservation, and better productivity.



Sustainable Bond: Rotoplas AGUA 17-2X (Second Issue)

This bond was issued to raise funding to finance sustainable initiatives that improve access to water and sanitation. The reference framework for this bond is aligned with the Green Bond Principles and Social Bond Principles, as well as the guidelines for Sustainable Bonds. It was rated by Sustainalytics as an independent third party.



Sustainable Bond: VINTE 20X

This is the first corporate bond in Latin America and the Caribbean to be aligned with the SDG Impact Standards for Bonds from the United Nations Development Program (PNUD), verified by Pacific Corporate Sustainability (PCS), a company that is part of the Pacific Credit Rating Group (PCR). The net resources from this issue are earmarked for the financing of sustainable community development projects by Vinte in Mexico, aligned with the Vinte Sustainable Bond Reference Framework.



Social Bond FEFA 20G



Fideicomisos Instituidos en Relación con la Agricultura (FIRA) announced the launch of its ESG Portal, which is the hub for its efforts to adopt sustainable goals. We have worked as a partner and consultant to help create this sustainability policy framework.

Efforts include the issuing of the first Gender-Equitable Social Bond in Mexico on October 19, 2020, to help drive the financial autonomy of women in the agricultural sector in line with international best practices. This offers women the opportunity to access resources from three categories: Financial Inclusion, Labor and Productive Initiatives, and Entrepreneurship.

SAM-ESG Equity Investment Fund



Created by SAM Asset Management, Banco Santander's Investment Fund Manager, it is the first Equity Investment Fund in Mexico to incorporate sustainable criteria, encompassing non-financial elements to help it become a vehicle for a socially responsible investment strategy. It was launched at the end of August 2020 through the Private Banking network.

The major differentiating factor of this fund is that, through a robust methodology developed by Santander Asset Management at a global level, it analyzes whether the companies in which it will invest are governed by environmental, social and corporate governance criteria. This calculates an ESG score that determines the level of commitment to the sustainable investments of this fund.



Other Green Financing

We offer a range of sustainable financing options, including for hybrid and electric cars. In 2020, we reached several milestones, and we will continue working on future projects that benefit both the environment and society.

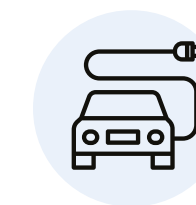
Model Y

Since 2019, we have been working closely with Tesla, and we have positioned ourselves as the preferred financial institution for this major vehicle manufacturer in Mexico, driving innovation and sustainability by issuing more than MXN \$100 million in loans for this brand's electric cars. We are extremely proud to be supporting the arrival of the brand's Model Y vehicle in Mexico, offering a special plan for auto loans.

Tesla's Model Y is a mid-sized SUV that has caused high expectations among the Mexican market.

Green Car Plan

After just three years since issuing our first loan, we are now the second largest financer of green cars, and we offering exclusive financing for three vehicles brands, one preferred brand, and three motorcycle brands. We have issued 131 loans totaling MXN \$114 million for green cars for brands such as Tesla, Volvo, Infiniti, Toyota, Land Rover/ Jeep and BMW, among others.



16%

rise in the number of green cars
being financed, a **38% increase in
financing.**

Environmental footprint

(103-2, 103-3)

In our goal to consolidate our position as a Responsible Bank, we formalized our commitment by signing the UNEP FI Principles for Responsible Banking in 2019. In line with these principles, we have incorporated sustainability into our business areas in order to ensure their activities do not compromise future generations. To achieve this, we promote renewable energies, a low-carbon economy, and green financing.



Contact Center, Queretaro.

Environmental Management System (SGA)

Our use of natural resources, such as water, paper and energy, is monitored via the Environmental Management System (SGA), which guarantees the responsible use of these resources in all our operations, in addition to the implementation of measures to control the treatment and disposal of waste and emissions.

Through the Santander Environmental Policy, we reaffirm our commitment to:

Adopting practices

that promote the efficient and responsible use of natural resources and materials to help minimize the generation of waste, polluting emissions and wastewater stemming from our productive processes.

Complying with all requirements

of environmental legislation applicable to our productive, administrative and support service processes, in addition to any other requirements to which the organization subscribes.

Maintaining our commitment

to driving on-going improvements to our Environmental Management System in order to have a positive impact on our organization's environmental performance.

Through our SGA, which is validated by certifications and audit services, we have implemented a range of certifications that underpin our responsible operations:

Certification from the Spanish Association for Standardization and Certification (AENOR) since 2013.

ISO 14001:2015 certified.

ISO 14001 certified at our workplaces:

- At our Corporate Offices in Santa Fe **since 2004.**
- At our buildings in Querétaro (CTOS, Data Center II and Contact Center) **since 2018.**
- At our Corporate Offices at Patio Santa Fe **since 2020.**

For these certifications to remain valid, an external follow-up audit by AENOR is carried out every year.

ISO 14001: 2015 Environmental Policy

All employees at our corporate facilities in Santa Fe and at Patio Santa Fe have committed to:

- Adopting practices that promote the efficient and responsible use of natural resources and materials to help minimize the generation of waste, polluting emissions and wastewater.
- Complying with all environmental legislation applicable to our productive, administrative and support service processes, in addition to any other process.
- Maintaining our commitment to driving on-going improvements to the organization's Environmental Management System.



Responsible Internal Operations

As a result of the public health crisis, some of our employees began working from home, which led to a notable decrease in water and energy use, not to mention a drop in the amount of paper and plastic waste generated. During 2020, we implemented a range of actions to mitigate the environmental impact of our operations with regard to emissions, the use of resources, and waste treatment.

It is clear that all of this would not be possible without our employees, who play a key role in guaranteeing the sustainability of our business. This is why we offer environmental awareness activities to promote their active participation.

We offered a compliance course in our Environmental Management System (SGA), which is for all administrative employees working in the metropolitan area of Mexico City at our corporate offices in Santa Fe and at Patio Santa Fe. The goal of this course is to provide them with information about how to generate less waste and decrease the environmental impact of the activities undertaken by the organization.

Emissions (305-1, 305-2)

Climate change is one of the major risks facing society, which is why we have focused on streamlining our daily operations to reduce and mitigate the production of Greenhouse Gas (GHG) emissions.

In 2020, total Scope 1 and 2 emissions reached 67,257.50 tCO₂e.



less Scope 1 emissions* than in 2019.

* This reduction is largely due to the effects of the COVID-19 health crisis.

(302-1, 305-1, 305-2)

Santander Mexico Emissions ¹⁶ (tCO ₂ e)		
	2019	2020
Scope 1	2,414.10	1,393.15
Scope 2	73,463.38	65,864.35
Total	75,877.48	67,257.50

Consumption

Energy Consumption

One of the fundamental issues in helping decrease our environmental impact is energy savings. We have implemented a range of energy use measurement tools to identify areas in which our energy consumption is highest and take the steps necessary to rectify this situation and increase efficiency.

Energy Index Design

To optimize electricity use at our branches, we have implemented an index that is based on the parametrization and regionalization of their electricity consumption. This index measures the annual energy consumption per unit of usable area (kWh per year / useable m²) of each branch, generating energy performance curves and consumption trends. This allows us to identify which branches use the most electricity and apply specific corrective measures.

Use of Clean Energies

We continue redoubling our efforts to implement more actions that involve the use of renewable energy, such as the procurement of alternative energy from SKY EPS, a company that produces energy through efficient cogeneration. In 2020, 70,230,802 kWh of energy was purchased, of which, represent

53% of clean energy within the Bank's total by efficient cogeneration.

Aligned with the Corporate commitment to use 100% renewable energy in our operations, we are analyzing alternatives for purchasing electricity from renewable sources¹⁷.

We reaffirmed our commitment to the environment and the fight against climate change by offsetting our carbon emissions in 2020. To achieve this, we invested in projects to decrease Greenhouse Gas (GHG) emissions. We purchased a Certified Emissions Reduction (CER) to help mitigate our carbon* footprint.

On November 5, we obtained a CER for a total of 67,845 tons CO₂ issued by the United Nations Framework Convention on Climate Change. The compensation of emissions is through a wind energy project located in Oaxaca (CDM Project 5676: Oaxaca III Wind Energy Project).



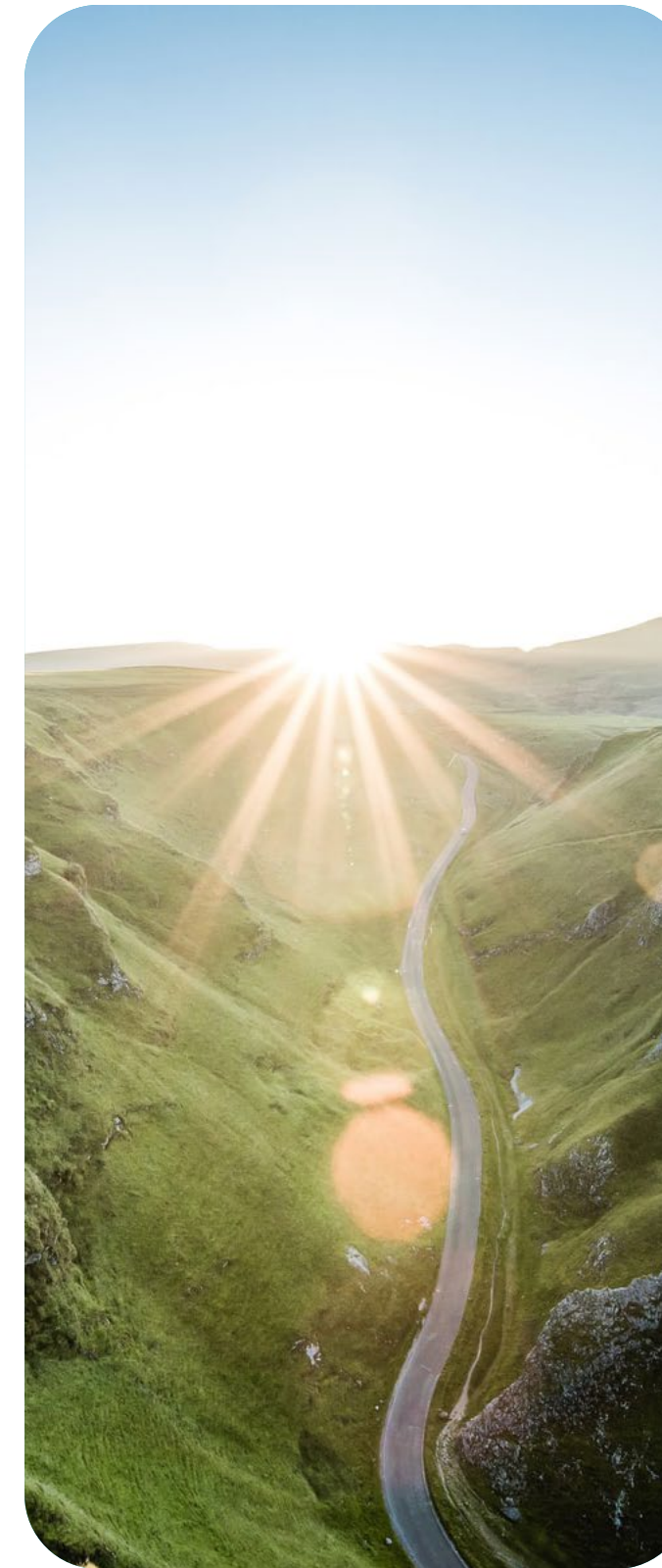
of clean energy from efficient co-generation.

* Verification by PwC was carried out in compliance with the requirements of the GRI standard 102-14, 102-15, 102-44, 102-47, 103-1, 302-1, 305-1 and 305-2. In particular, the offsetting of emissions to become carbon neutral based on the CER and other informative data were not validated in this content.

16. The calculation of Greenhouse Gas (GHG) emissions derived from Santander Mexico's activities during 2020 was carried out using the methodology proposed by the GHG Protocol Corporate Accounting and Reporting Standard, the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), satisfying the requirements of ISO 14064-1, NMX-SAA-14064 and that stipulated in the Climate Change Law in the area of the National Emissions Registry, in addition to taking into consideration the Calorific Powers published by CONUEE (2020), the Global Warming Potentials defined by the GHG Protocol, and the Emission Factor for the National Electrical Grid for 2020 (CRE). This calculation focuses on operations. The GHG included in this calculation are: carbon dioxide (CO₂), nitrous oxide (N₂O) and methane (CH₄).

17. The project has not yet been developed given changes to federal laws that prevent generators that obtained their permits via the Electrical Energy Public Service Law to incorporate more partners. Until 2020 Santander Mexico does not have renewable energy generation.

(302-1)



less electricity consumption* than in 2019.

Source ¹⁸	Consumption in MJ	
	2019	2020
Electricity	523,699,344	479,983,104
Natural gas	3,957,572	1,110,206
LP gas	4,465,074	1,953,800
Fuel (diesel and gasoline)	26,373,095	16,622,259
Total	558,495,085	499,669,369



reduced in our total energy consumption compared to 2019, the equivalent of lighting 9,225 households in Mexico for a year***.**

Energy Efficiency

To reduce our energy use, we implemented the following measures:

- We have automatic lighting control equipment in half of our branches.
- Lighting and air-conditioning at our Corporate Offices in Santa Fe are time controlled.

* This reduction is largely due to the effects of the COVID-19 health crisis.

** This reduction is largely due to the effects of the COVID-19 health crisis.

*** To obtain the equivalence calculation, 2015 data from INEGI and SENER were considered, which can be consulted in: energy consumption in 2015 in the residential, commercial and public sectors (Petajoules). National Energy Balance 2016. SENER https://www.gob.mx/cms/uploads/attachment/file/288692/Balance_Nacional_de_Energ_a_2016_2_pdf and Inhabited private homes. INEGI 2015 https://www.inegi.org.mx/temas/vivienda/#informacion_general

18. The consumption of natural gas, LP gas, diesel, fuel and electric energy was calculated based on utility bills, which were converted into MJ using the calorific power published by CONUEE: https://www.gob.mx/cms/uploads/attachment/file/619062/Lista_Combustibles_2021_26feb2021.pdf

Water Use (303-1, 303-2)

At Santander Mexico, we believe that protecting the environment reflects an ethical attitude within the company, and we are aware about how we use this resource as a Group, analyzing how we can improve our water use through initiatives that advance our operations and set benchmarks.

This is why we have developed a range of internal communication campaigns to raise awareness among our employees and other stakeholders about the importance of protecting water resources.

Banco Santander Mexico is supplied by the local water network, and for our Corporate Offices in Santa Fe we also use treated water for green areas and restrooms. Wastewater discharge is carried out through the municipal sewage system, in strict compliance with the LMP guidelines stipulated in Mexican environmental law.

Given the sector in which we operate and the characteristics of our products and services, our operations do not have a significant environmental impact on this resource. Furthermore, in our relationship with suppliers and customers, there is no significant environmental impact in terms of water management as a shared resource.

However, we have implemented an Environmental Policy that promotes the efficient use of natural resources and serves as a benchmark to help establish guidelines that allow us to regulate the use and management of these resources in order to avoid environmental impacts and drive sustainable development.

This is why we have an Environmental Management System that is ISO 14001: 2015 certified, allowing us to identify, prioritize and manage environmental risks.

We obtained the certification in this international norm of Environmental Management System in the following facilities:

- At our Corporate Offices in Santa Fe since 2004.
- At our buildings in Querétaro -CTOS, Data Center II and Contact Center, since 2018.
- In 2020, as a new adhesion, the Corporate Offices at Patio Santa Fe were certified.

Furthermore, we have procedures in place to control portable water consumption, the goal of which to restrict the amount of water used in our operational, administrative and service processes undertaken on all our facilities.

The main measures implemented include:

- Water meter readings.
- Immediate action for water leaks.
- On-going monitoring and maintenance of irrigation system (sprinklers and hoses).
- Routine monitoring of plumbing (kitchen equipment, basins, kitchenettes, W.C./urinals, stopcocks) to detect leaks.
- During rainy season, the use of rainwater to fill W.C. and urinals.
- Use of biodegradable cleaning products in the canteen and for cleaning purposes.
- Installation of motion sensors on faucets, water-saving toilets and waterless urinals.

We monitor our water use based on:

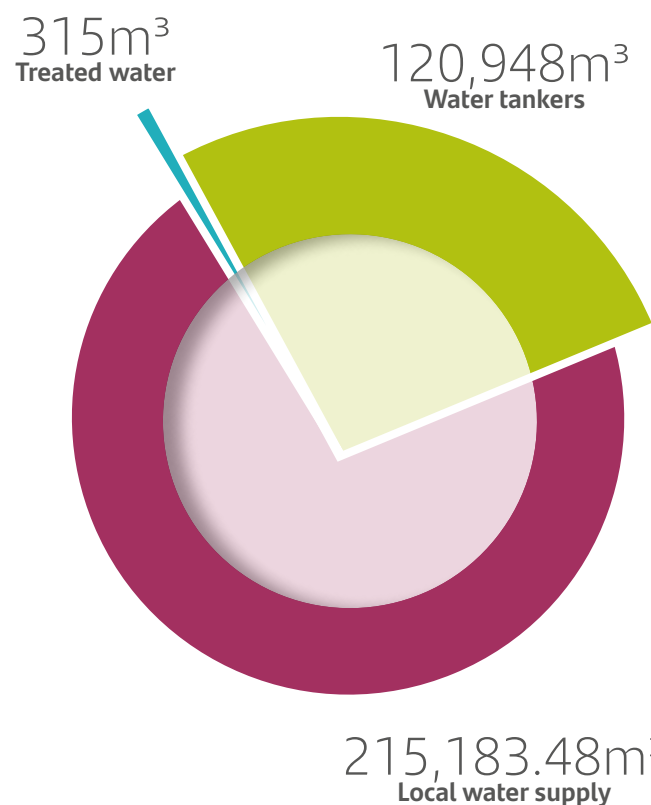
- Bi-monthly water bills issued by Sistema de Aguas de la Ciudad de México.
- Weekly visual inspection of pumps.
- Pump maintenance program.
- Water use graphs.



(303-5)

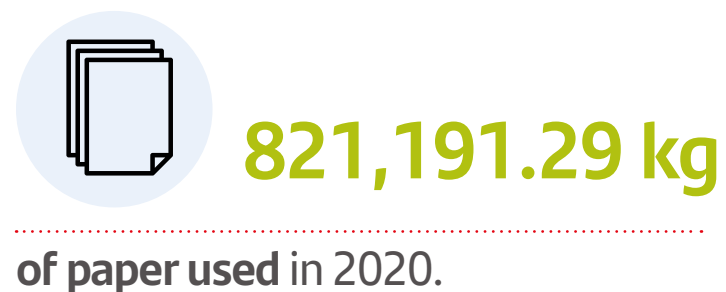
During 2020, and as a result of the public health crisis, the total amount of water we used decreased from 461,258.75 m³ in 2019 to 336,446.48m³, 27% less in a year-on-year comparison.

315 m³ came from treated water supplied to our Santa Fe Corporate Offices in CDMX, 120,948 m³ from water tankers, and 215,183.48m³ from the local water supply.



Paper Use (301-1)

To guarantee the sustainable future we all want, we need to take the amount of paper we use into account. This is why we have implemented sustainable guidelines for the procurement of this resource, in addition to coordinating internal paperless campaigns to ensure our employees only print what is truly necessary, in addition to recycling paper and promoting double-sided printing.



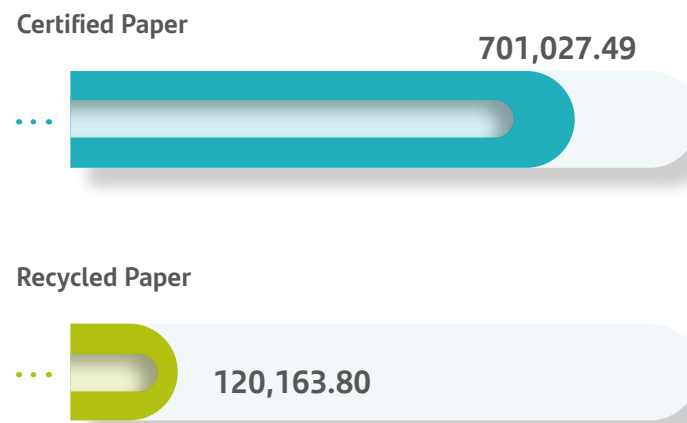
less paper consumption* than in 2019.

Paper Use in 2020

Paper Use by Type (kg)	Santander México
Certified Paper	701,027.49
Recycled Paper	120,163.80
Total kg	821,191.29

* This reduction is largely due to the effects of the COVID-19 health crisis.

One of the benefits of remote working was a reduction in our paper use, helping to decrease our environmental impact.



(306-2)



of our paper is recycled.



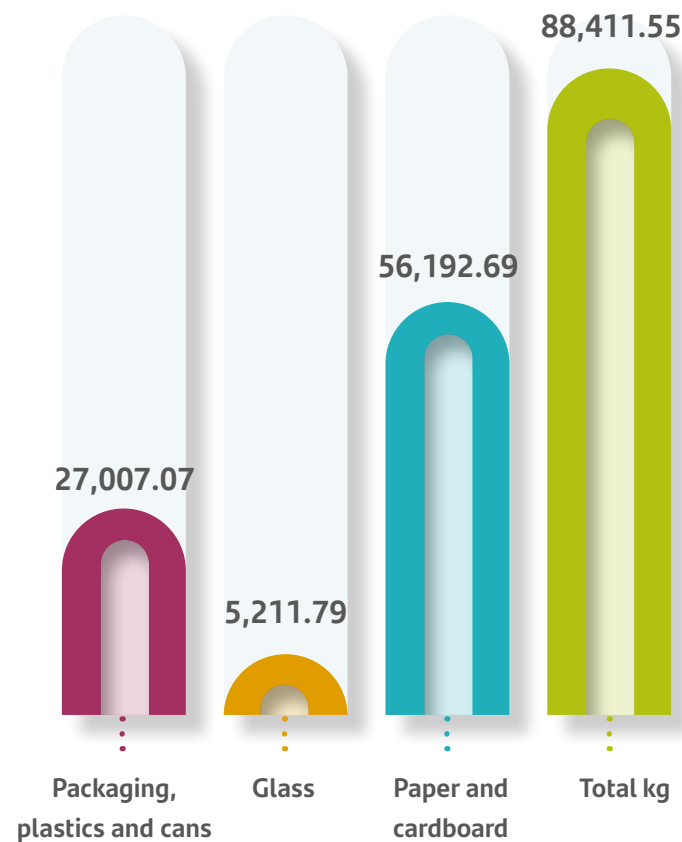
of the paper we use comes from sustainable forests.

In 2020, we continued inviting our users to go [Paperless on SuperNet](#), our digital banking platform, to help decrease the paper used to print out their statements.

Waste Management

We have implemented a number of internal campaigns to raise awareness among our employees of the importance of separating waste at our offices. We have successfully separated waste from the source to help decrease disposal in landfills. Furthermore, our facility servicing suppliers separate and classify all waste. Once classified, they are then transported for recycling or disposal.

Waste (kg) at Santander Mexico



Reduction of Single-Use Plastics

As a major part of our environmental goals, we are aligned with the Santander Global initiative to eliminate the use of unnecessary single-use plastic at all of our offices by 2021.

In 2020, our Corporate Offices in Santa Fe became ISO 14001 certified; this means that, as a measure to help protect the environment, we eliminated plastic items, substituting them with biodegradable materials. We focused on the following activities:

- Including products whose packaging is not made from single-use plastics.
- Banning single-use plastic products from our buildings.
- Incentivizing refills in the cafeteria.
- Restricting the sale of bottled water in buildings and using biodegradable packaging in canteens.
- Replacing bottled water in meeting rooms with jugs of water.
- Promoting the installation of filters and drinking fountains, in addition to implementing a maintenance system for existing infrastructure.
- Eliminating plastic packaging from vending machines.
- Replacing the plastic boxes used to store business cards with a recycled cardboard one.

We are also working to ensure these same environmentally friendly measures are adopted at Patio Santa Fe.

In 2020, we reached 83% compliance with our goal to eliminate plastics, through initiatives such as:

- Including products whose packaging is not made from single-use plastics.
- Banning single-use plastic products from our buildings.
- Incentivizing refills in the cafeteria.
- Restricting the sale of bottled water in buildings and using biodegradable packaging in canteens.
- Replacing bottled water in meeting rooms with jugs of water.
- Promoting the installation of filters and drinking fountains, in addition to implementing a maintenance system for existing infrastructure.
- Eliminating plastic packaging from vending machines.
- Replacing the plastic boxes used to store business cards with a recycled cardboard one.



We eliminated

plastic dry-cleaning bags and straws for hot drinks in our cafeteria at our Corporate Offices in Santa Fe.



We substituted

plastic straws, containers and cups with biodegradable alternatives.

Suppliers

To meet our sustainable goals, it is of the utmost importance that we are supported by our value chain. In order to work with us, suppliers must be aligned with our values and ethical, legal, social, environmental and economic criteria.

This means that, in the contract, they must reaffirm their commitment to establishing a regulatory framework and processes to help protect the environment, including:

- Training for the employees of our suppliers covering environmental management and awareness materials provided by Grupo Santander.
- Implementation, execution and maintenance of the order and cleanliness program focusing on sorting, setting in order, shining, standardizing and sustaining (5S).
- Benchmarks for the use of potable water, detergents, cleaning supplies, hazardous materials, among others.

When entering into a contract with Santander Mexico, our suppliers, except those who are exempt, reaffirm their commitment to the Corporate Social Responsibility clause and the principles of the United Nation's Global Compact:

- **Human Rights**
- **Workplace Standards:**
 - » Respect for the freedom of association, the elimination of forced or compulsory labor, the abolition of child labor, and the elimination of discrimination in respect of employment and occupation.
- **Environment:**
 - » Promotion of employer responsibility.
 - » Implementation of environmentally-friendly technologies.
- **Fight against Corruption:**
 - » Prevention of extortion and bribery.

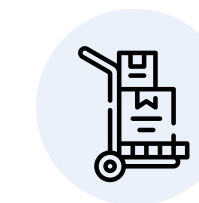
In the contracts and agreements we enter into with our suppliers, we have decreased environmental impacts

(102-9, 103-2, 103-3, 412-3)

and reduced risks by incorporating quality, environmental management, workplace relations, risk prevention, and corporate responsibility indicators. In 2020, we had:

Aquanima

Aquanima is our procurement hub, and, alongside the Banks Comprehensive Expense Management area, it is tasked with defining, monitoring and evaluating procurement and third-party payment processes. It also includes a risk management area, the Vendor Risk Assessment Center (VRAC), which coordinates the application of surveys regarding the level of commitment of our suppliers in the areas of Human Rights, the Environment, Social Responsibility and Sustainability.



100%

of our Aquanima formalized suppliers* have contracts with Human Rights clauses.

As part of this process, suppliers are asked if they are certified areas such as quality, environmental management, workplace relations, occupational risk prevention and corporate social responsibility, among others. They are then asked to send evidence to assess their compliance in these areas prior to making the final selection.

All suppliers understand the General Code of Conduct. Furthermore, an annual assessment is undertaken by VRAC, in which suppliers answer a questionnaire about the Code of Conduct or Ethics, anti-corruption measures, data protection, channels available for the reporting of suspicious activities, and compliance or control programs, among others. This information is requested to ascertain the supplier's levels of compliance, which, in turn, is used to determine whether they can become a Santander supplier or not.

*519 formalized by Aquanima in 2020.

Throughout 2020, a number of measures were implemented to continue improving operations:

Training

For the first time, training was offered to suppliers who were not regularly aligned with Responsible Banking measures. Training days were organized, during which information about the following issues was presented:

- The importance of Sustainability within companies.
- What is Corporate Social Responsibility?
- Advantages of being a Socially Responsible Company.
- How to integrate the Principles of the Global Compact and the UN Sustainable Development Goals into companies.
- What is a Code of Conduct and what should it cover?
- ISO Standards (14001, 26000 and 45000).

Aquanima activities during the COVID-19 pandemic

Aquanima has worked alongside the Bank to tackle COVID-19. Thousands of man hours have been invested in the following actions:

Hygiene Supplies

To ensure the continuity of our operations, since the pandemic began we have been working to source essential supplies, such as facemasks, gel, gloves and sanitizing wipes, in addition to special products and services.

COVID-19 Tests

We have researched and directly contacted manufacturers from China and other countries to source COVID-19 tests.



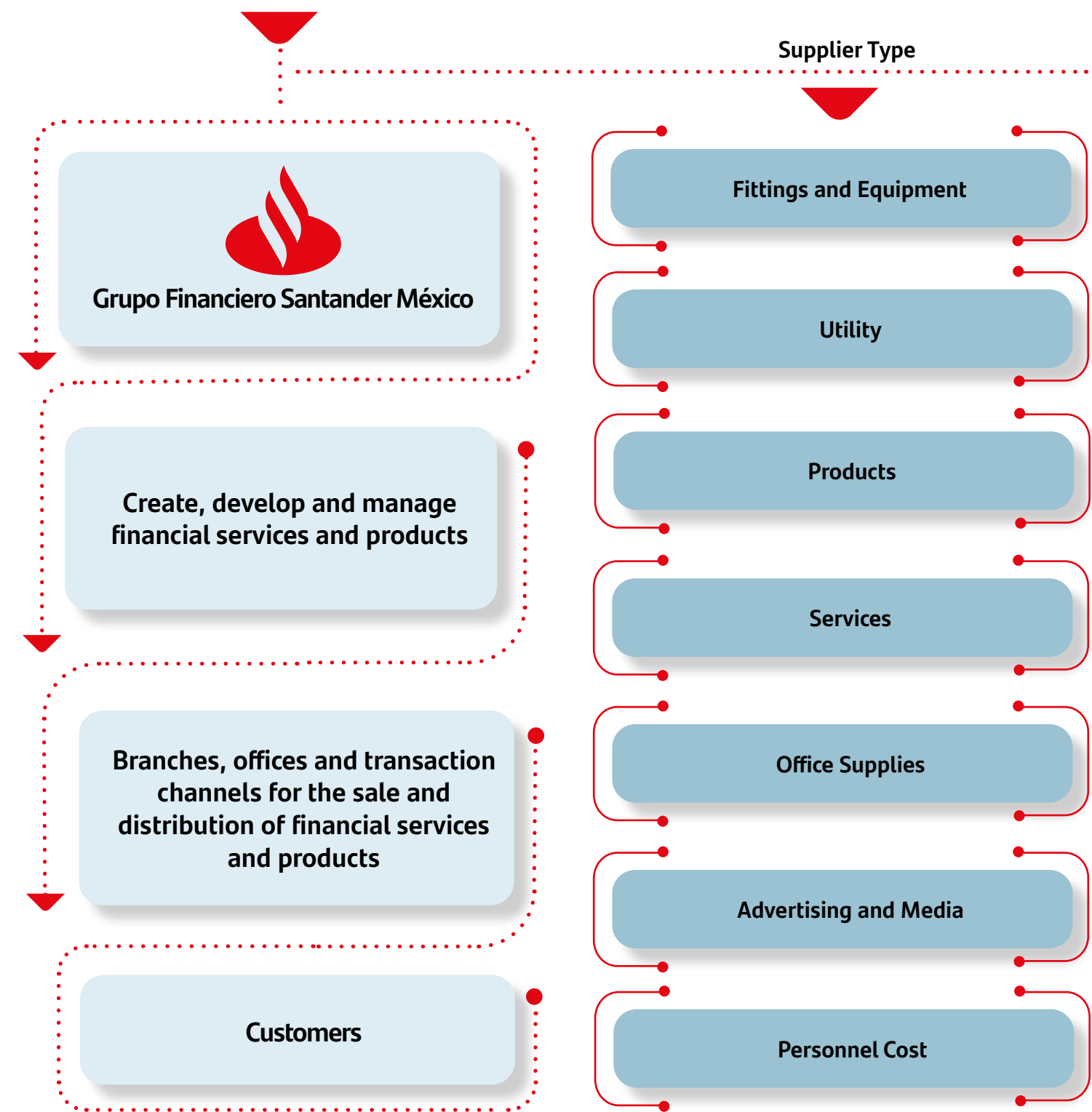
Sustainable Financing and ESG Risk Assessment

To drive inclusive and sustainable development in the country, we support projects and works by offering loans that are underpinned by sustainable guidelines. To do so, we analyze the risks of these financial projects based on Environmental, Social and Governance criteria (ESG), ensuring strict compliance with the Equator Principles.

Outsourcing and Supplier Management Model

This model encompasses the use of risk calculators to identify relevant and critical services, which are fed into an inventory for monitoring and control purposes. This allows us to evaluate suppliers to ensure that they meet requirements in the areas of data management, business continuity plans for support services involved in critical processes, and follow-up measures for service level agreements, among others, in addition to implementing measures opportunistically.

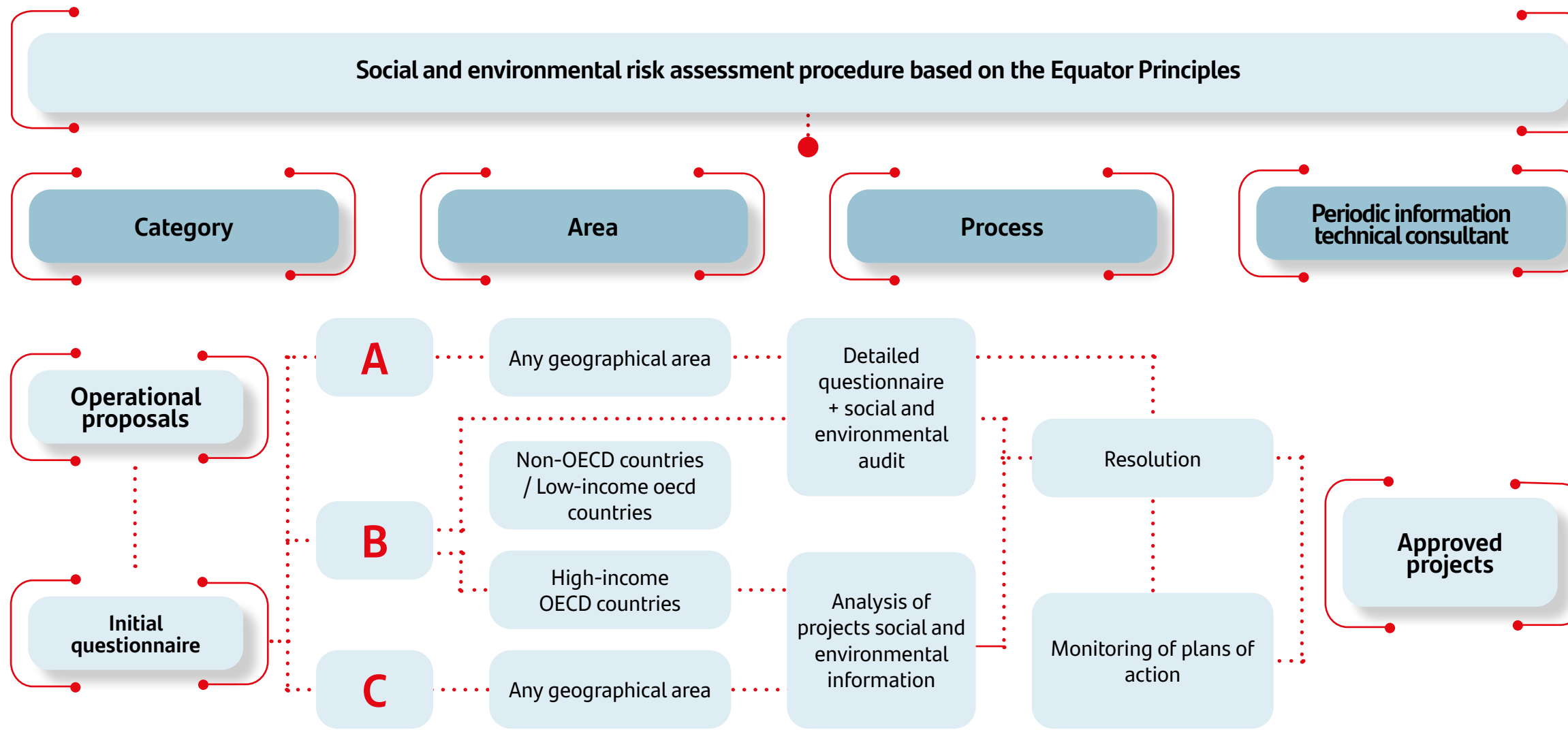
Value Chain Structure (102-9)



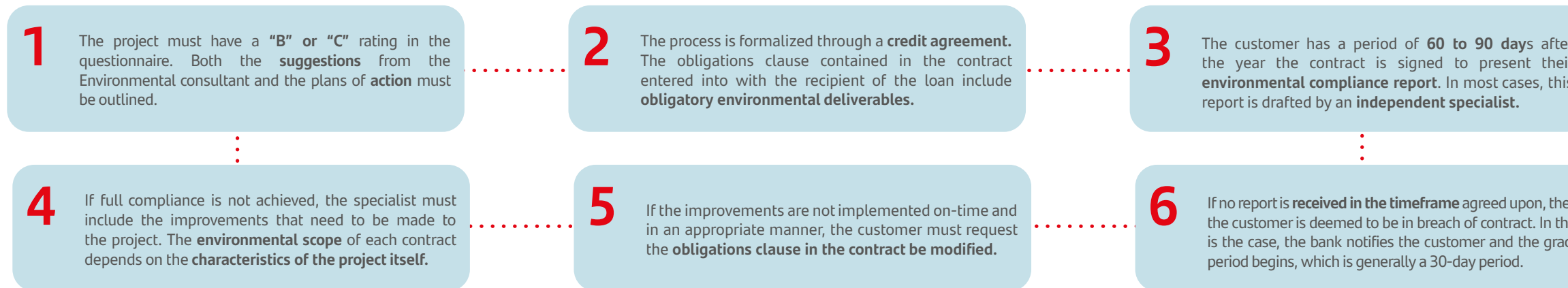
Assessment of Social and Environmental Risks

Our General Sustainability Policy establishes that we respect the best international practices in social and environmental matters, specifically the Equator Principles. Any project that exceeds ten million dollars (USD) must comply with the Equator Principles.

To be approved, any financing project must follow the steps outlined below:



- A. Project Finance with a significant negative and high-risk impact.
- B. Project Finance with a negative and lower-risk impact.
- C. Project Finance with a low or non-existent impact on the environment.



The financial products that are subject to the Equator Principles are:

1 Project Finance Consultancy Services
when the total capital costs of the project exceed USD \$10 million

2 Project Finance
when the total capital costs of the project exceed USD \$10 million.

3 Corporate Loans linked to Projects
(including Export Financing in the form of Buyer Credits), when the following four criteria are met:

- The majority of the loan is linked to a project over which the customer has effective operational control (directly or indirectly).
- The total loan amount is at least USD \$10 million.
- The individual commitment with the EPFI (Equator Principles Financial Institution), prior to syndication or resale, is at least USD \$50 million.
- The loan period is at least two years.

4 Bridge Loans with a payment period of less than 2 years
to be refinanced through Project Finance or a Corporate Loan linked to Projects which will, foreseeably, meet the relevant criteria.



€1.9 billion

financed under the Equator Principles in 2020.



All loans from

the Structured Finance portfolio obtained a minimum of a B rating.

We participated in the financing of a social infrastructure project:

Autopista Urbana Norte

A 9.8-km highway that crosses the districts of Miguel Hidalgo, Álvaro Obregón and Benito Juárez, with entry access via the Viaducto Bicentenario freeway and exit via San Antonio. Its innovative design (one structure and on a second level) helped leave the infrastructure below it clear. It also protected areas of major urban and environmental importance by creating an underpass along the Bosque de Chapultepec and Fuente de Petróleos areas.

Social and Environmental Risk Policies (102-11, FS1)

Our Environmental, Social and Climate Change Risk Management Policy establishes the Santander Group's criteria in relation to investment in entities, the provision of financial products or services in the oil and gas sectors, electricity generation and mining and metallurgy, as well as such as derivatives of "soft commodities" businesses. The policy establishes criteria for the identification, evaluation, monitoring and management of environmental and social risks and other activities related to climate change based on the precautionary principle. This policy defines specific activities that Grupo Santander does not finance, for example new customers with coal-powered power plants, or new thermal coal projects or customers.

In line with the criteria stipulated in this policy, we evaluate our loans and any other financial products or services, such as debt, insurance, consultancy services, equity and asset management.

The process to analysis social and environmental risks is divided into three stages:

1. Compiling and submission of information.
2. Assessment of social and environmental risks.
3. Integration of credit risk into the workflow.

Furthermore, our Defense Sector policy stipulates that all operations in which we are involved relating to the manufacturing, sale or distribution of defense material or dual-use technologies must be assessed to determine the existence of any risks that could be deemed to be a threat to the peace, defense and stability of certain countries, in addition to causing serious economic or environmental damage.

We focus on analyzing the following risks:

- Whether the goods could provoke or aggravate armed conflicts or increase existing tensions within the country of final destination.
- Whether there is a risk to the security, peace, defense and stability of the countries in question.
- Whether there are serious reasons to believe that the product could be deviated from its destination.
- Whether the product being financed could be used to attack another country or lead to a forceable territorial claim, taking into account the country in question's attitude toward terrorism, the nature of its alliance and its respect for international law.

In accordance with values and principles that are based on the respect for Human Rights and in the interest of employees, customers, shareholders and society in general, we are committed to not being involved in any operations with companies that manufacture, sell or distribute the following prohibited materials:

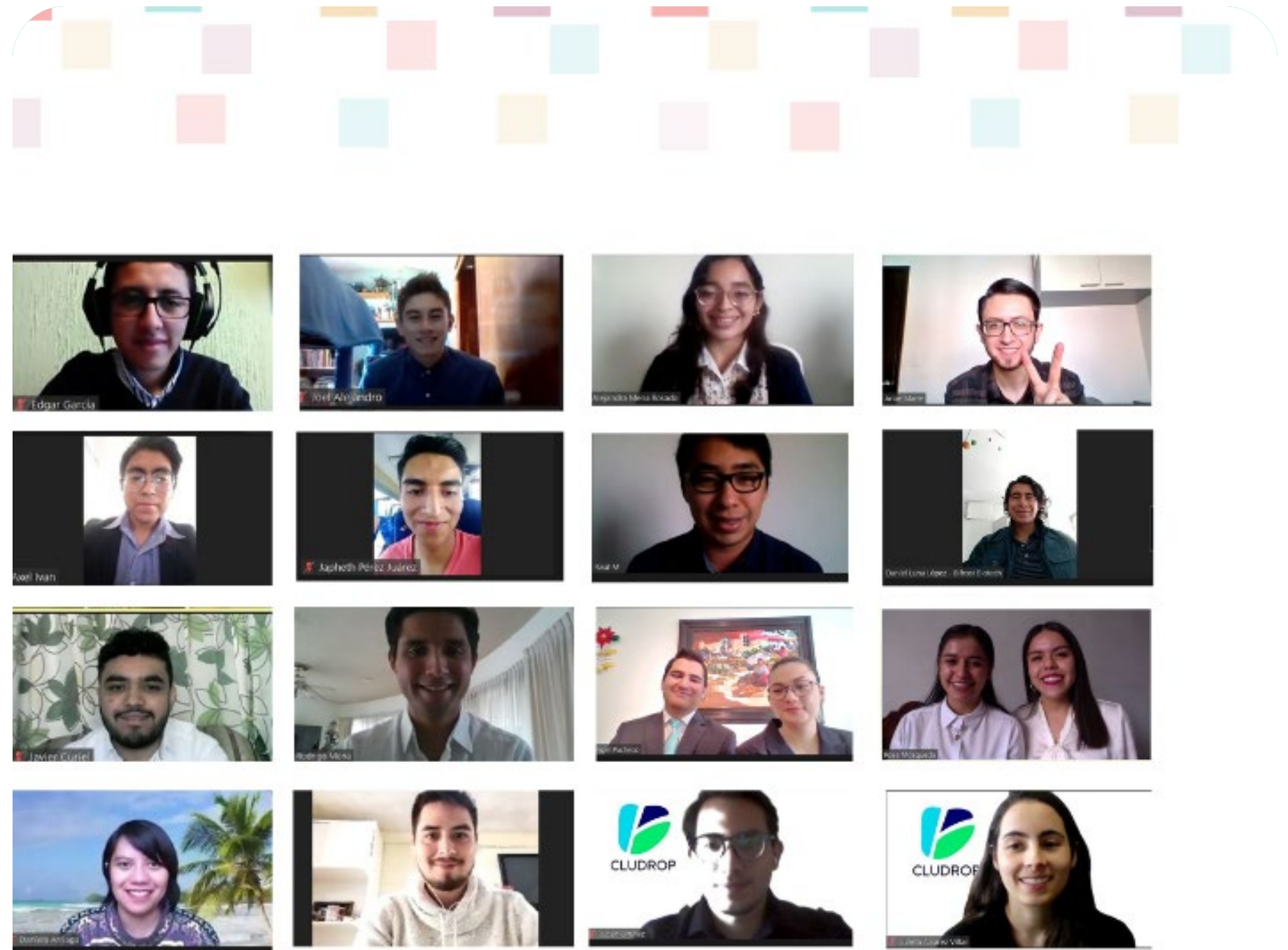
- Anti-personnel mines.
- Cluster ammunition.
- Chemical or biological weapons.
- Nuclear weapons.
- Ammunition that contains depleted uranium.



To learn more about our policies, [click here.](#)

Higher education support

Higher Education plays a fundamental role in the knowledge society as it helps guide us toward an innovative society and contribute to economic progress and social welfare. To guarantee a brighter future for all, we invest in higher education through a number of support programs that promote scientific and technological advances.



Premio Santander a la Innovación Empresarial

Our major areas of action focus on providing academic support to college students, helping them develop digital skills that will facilitate their insertion into the labor market and improve their employability.

 **41,222**

education scholarships offered, 654% more than in 2019¹⁹.

 **MXN \$10,000,000**

invested in education access and academic development programs through 48 initiatives around the country.

 **MXN \$11,936,129**

invested and 19,631 people benefitted through employability and professional development programs.

19. Given the circumstances stemming from the pandemic, we were presented with the opportunity to offer a greater number of digital scholarships.



Santander scholarship beneficiaries.

 **MXN \$90,328,310**

invested in the Higher Education Support Plan (PAES).

 **We work**

more than 800 universities from throughout the country and we have specific agreements with 139 institutions in Mexico.

Santander Universities

We focus our efforts on ensuring that more young people in Mexico have access to the best possible education and the tools they need. Through Santander Universities, we forge alliances with the most important institutions of higher education in the country to help ensure proper training for college students throughout the country.



This specialist area, the only one of its kind in the world, supports the development of universities and students through a value offer that encompasses scholarships, professorships, collaborative projects, and the development of financial services and products.



Digital Scholarships

As a result of the public health crisis, we transformed the academic mobility scholarships we offer into digital scholarships. These application processes focused 100% on online certifications offered by prestigious institutions and universities. We also offered web development and digital economy training programs. These were divided into three strategic areas.

- **Entrepreneurship**

We help support the ideas of university students looking for personal and professional development and to have a positive impact on society. We have a range of programs that focus on innovation, internationalization, collaboration and academic research.

Santander TrepCamp Scholarships

The face-to-face course was replaced with an online training course offered in conjunction with experts in entrepreneurship from Silicon Valley. Participants focused on creating a business model based on a high-impact solution to a global problem before developing their pitch. During this process, they were supported by international instructors and mentors.

Assessment Center X

An assessment comprising 42 real-life scenarios, which participants need to resolve using their business know-how. After completing the evaluation, participants receive a report containing information about their profile and areas of opportunity.

Santander Advanced Entrepreneurship Scholarship

A four-week course focusing on the study of leading entrepreneurship methodologies, allowing students to learn about the process of creating a startup and raising capital. The end of the course centered around learning about emerging technologies and tools to help them boost their skills as high-impact entrepreneurs.

Santander ANUT Scholarships

A program focusing on the development of soft and entrepreneurial skills for the university community pertaining to the National Association of Technological Universities (ANUT). These include:

- Santander ANUT Scholarship Generation I EST
- Santander ANUT Scholarship Generation I PDA
- Santander ANUT Scholarship Generation II EST
- Santander ANUT Scholarship Generation II PDA
- Santander ANUT Scholarship Generation III EST
- Santander ANUT Scholarship Generation III PDA
- Santander ANUT Scholarship Generation IV
- Santander ANUT Scholarship Generation V

Santander Scientific Innovation and Technology (SICyT) Scholarships and Santander SICyT Jalisco 1.2 Scholarships

A training program focusing on soft and entrepreneurial skills for the university and entrepreneur community in the state of Jalisco.

100 Projects without Fear

An intensive virtual workshop for entrepreneurs who have a project in mind, but who, out of fear, have not yet made it a reality. The program focuses on changing paradigms and new concepts to help make their projects become a reality.

INC Monterrey

The largest entrepreneurship festival in Latin America, including international speakers, workshops and networking among entrepreneurs.

MOOC "From Idea to Company"

A 30-hour course that focuses on the development of competencies and skills in the areas of innovation and entrepreneurship, in addition to learning about and applying leading methodologies and tools to develop a successful business plan. This course was offered in conjunction with the National Autonomous University of Mexico (UNAM).

Entrepreneur X Digital Diploma

The Santander X digital library, Banco Santander's entrepreneurship platform, which offers educational material regarding leading entrepreneurship methodologies, including: Design Thinking, Business Model Generation, Lean Startup, Agile Methodology and Startup Financing.

Agua x Nosotros Challenge. Prototype, Proven and Market-Ready Ideas Category

We search for talent whose ideas and proposals for comprehensive systems, products or services will help us to tackle problems stemming from the availability, reuse and utilization of water in areas of water stress.

Comeback Stories by Santander

An online event coordinated with Fuckup Nights, in which three successful entrepreneurs share their stories of failure, helping promote the idea that getting things wrong is one of the best ways to learn and create a mentality based on innovation and resilience.

The Two Sides of the Coin with Moris Dieck

An event coordinated by Santander Universities in which, in addition to focusing on the negative aspects of the COVID-19 pandemic, Moris Dieck also shared the other side of the coin – a side in which we can take something positive away from this crisis to better use our talents and our finances in order to create opportunities in our favor.

Santander X Global Award



In 2020, Santander X, our global entrepreneurship platform, held an international competition to promote university entrepreneurs. Young people from five countries took part: Argentina, Brazil, Chile, Spain and Mexico. 100 projects were presented, and 11 finalists were chosen, four of whom were from Mexico. The projects were divided into two categories: Startup and Scaleup.

Startup Category

Totolines

Project to reduce childhood obesity through snacks made from sustainable insect protein.

Presented by: **Alejandra Álvarez y Andrea Gómez**

Cuéntame

An online wellness platform for employees through video-calls with certified psychologists.

Presented by: **Regina Espinoza, Omar García, Fernando Chávez y Enrique Jiménez**

Scaleup Category

Finloop

A personal loan application between friends and relative to help eliminate intermediaries.

Presented by: **Juan Diego Espina y Miguel Agustín Espina Álvarez**

PIXZA

Support for young people who have suffered from social abandonment, offering them dignified employment at a pizzeria that sells pizzas made from blue corn and natural ingredients.

Presented by: **Alejandro Souza**

- **Study**

We support university students, providing them access to a range of scholarships that allow them to continue their studies, acquire new skills, and be better prepared for their future as professionals.

Santander Slang Scholarships

An online professional English study program lasting for six months and offering beneficiaries access to 75 different English courses focusing on their areas of expertise. These courses include English for Industrial Engineering, English for Administrators, English for Politics and English for Agriculture, among others.



Scaleup category winner project.

FUNED Santander Leaders in Development Scholarship

A one-year academic guidance, training and preparation program in areas such as Graduate Records Examinations (GRE), Graduate Management Admission Test (GMAT), English fluency and other indispensable requirements for young people to be accepted at one of the world's top 100 universities to take part in a graduate program.

Santander TECH Scholarships

A talent training course in digital transformation, including Data Science, Digital Marketing and Project Management, in which top participants can access specialist training and certification.

Santander UIN Scholarship and Santander TecNM/TecNM II Scholarships

A program that promotes the acquisition of soft skills among the Universidad Insurgentes and the Tecnológico Nacional de México community through a course entitled Key Skills and Competencies for the Professional World, which lasts for 8 hours and is offered in conjunction with the National Association of Universities and Institutions of Higher Education (ANUIES) through *Fundación Educación Superior Empresa* (FESE).

Santander STEM Women Scholarships

STEM (Science, Technology, Engineering and Mathematics) training courses for women entrepreneurs through a 40-hour online program created by Universidad Austral, offering its STEM students tools to help create an innovative idea that could be turned into a successful company.

Santander ECO Scholarships

Advanced training courses in environmental conservation. These 40-hour courses are offered through Coursera and include a certification from the World Bank.

Santander Eres Tú Scholarships

A training course focusing on professional skills development through online training at the University of California and English-language training through Slang. This scholarship is open exclusively to the daughters and sons of the Bank's internal employees.

Santander Legacy Scholarships

A program to promote and consolidate the development of Mexican students in national and international arts and culture.

Santander UCSJ Research Scholarships

A grant of up to 25% that is applicable directly for tuition fees for the 2021 academic year, during which participants will undertake a research project.

Santander UACAM FESE Scholarships

A training course focusing on the development of soft and digital skills among the undergraduate student community at the Autonomous University of Campeche.

• Employment

Programs aimed at university students to help them develop the skills, knowledge and competencies required to facilitate their insertion in the labor market and improve their employability.

Santander OUI IGLU Scholarships

A university management and leadership training program offered in conjunction with the Inter-American Organization for Higher Education (OUI) to promote key management skills among university leaders through analysis and reflection on the current situation of institutions of higher education.



Santander Professional Skills – Digital Training Scholarships

A program focusing on the development of professional and soft skills through a partnership with Coursera, a leading online education platform. Through this program, participants can become certified by international universities that are ranked among the top 100 in the world.

Be Santander Technology Skills – Digital Training Scholarships

The goal of this program is to consolidate the technology skills of Mexican university students and help them find their place on the job market. Through this program, students become professionally certified in Information Technology Support by Google.

Santander - BEDU - Disruptive Innovation Scholarships: 3 Ways to Boost Your Career

This program focuses on supporting information technology training in areas such as Web Development, Data Science and UX/UI, helping young people in Mexico acquire the skills they need to tackle the new challenges posed by the digital economy.

Santander - BEDU - Data Science Scholarships

This program focuses on supporting Data Science training, helping young people in Mexico acquire the skills they need to tackle the new challenges posed by the digital economy.

Santander CASE Scholarships

A scholarship offered in conjunction with the Council for Advancement and Support of Education (CASE), offering training in fundraising techniques and procedures at institutions of higher education.

Scholarships for Training in Key Skills and Competencies for the Professional World

A basic eight-hour course that focuses on the development of fundamental soft skills for insertion into the job market and

comprises three modules: Communication, Teamwork and Leadership. It is offered in conjunction with ANUIES through Fundación Educación Superior Empresa (FESE).

Digital Skills Training Scholarships

A basic eight-hour course that focuses on the technological principles of the Fourth Industrial Revolution or Industry 4.0, in addition to the changes this has caused in education and employment. It is offered in conjunction with ANUIES through Fundación Educación Superior Empresa (FESE).

Among others:

How to become a high-impact entrepreneur and not die trying?

In this event, organized by Work Café and Santander Universities, Fernando Sepúlveda talked about high-impact entrepreneurship and the challenges and paths that entrepreneurs have to follow to make their dreams come true.

The Transformation of Higher Education by Santander Universities and Work Café

At this event, organized by Work Café and Santander Universities, Arturo Cherbowski, Executive Director of Santander Universities, and Fernando León García, President of CETYS Universidad, talked about the challenges that higher education has faced and how these have helped it transform to survive in the future.

Women in Science by Santander Universities and Work Café

At this event, organized by Work Café and Santander Universities, Lorena Macías talked about the role women play in science, the challenges they face, and the opportunities that can be created in a competitive environment.



We are proud

to be the banking institution that most supports higher education and outstanding Mexican entrepreneurial talent.

Santander Business Innovation Award (PSIE)

We are proud that the Santander Business Innovation Award celebrated its 15th anniversary in 2020. Through this university entrepreneurship award, we have experienced memorable moments alongside college students who have presented innovative projects that are of outstanding value for the growth of the country.

The competition is divided into two categories – Prototype and Idea – and in 2020 the winners for each category were chosen. There was an MXN \$500,000 prize for the two best projects in the Prototype category, while in the Idea category there was a MXN \$300,000 prize for first place, MXN \$200,000 for second place, and MXN \$100,000 for third place.

In 2020:



3,796

participants from 188 institutions of higher education (IES) took part.



Winners "Prototype" category PSOE.



1,298

projects were submitted, from which 5 winners were chosen.

In 15 years of the Santander Business Innovation Award:



37,105

entrepreneurs have taken part.



12,003

projects have been submitted.



MXN \$24 million

in seed capital has been awarded to 79 winning projects.

2020 Winners

The winners of the Idea and Prototype categories were:

Idea Category

1º

First place:
Bifrost Biotech:



The development of a cornea equivalent through tissue engineering and biotechnology techniques. This cornea equivalent can be implanted and perform the functions of a conventional cornea, helping satisfy demand for corneal transplants.

Winners of MXN \$300,000 in seed capital.

2º

Second place:
PhytO:



A marine bioreactor that optimizes CO₂ absorption to mitigate the effects of the acidification of reefs, in addition to producing a biomaterial that can be used to make a range of sustainable products, creating a circular economy.

Winners of MXN \$200,000 in seed capital.

3º

Third place:
Carbon Power Mexico:



A technology to capture carbon dioxide, which can then be transformed into ethanol, ethylene and sustainable chemicals. Polluting gases are transformed into energy and materials for consumer products.

Winners of MXN \$100,000 in seed capital.

Prototype Category

1

Prototype 1.
Thermy:



A medical device and method for the early detection of temperature anomalies related to the growth of cancerous tumors that combines thermal imaging with artificial intelligence to create an accurate and pain-free study.

Winners of MXN \$500,000 in seed capital.

2

Prototype 2.
MEDU:



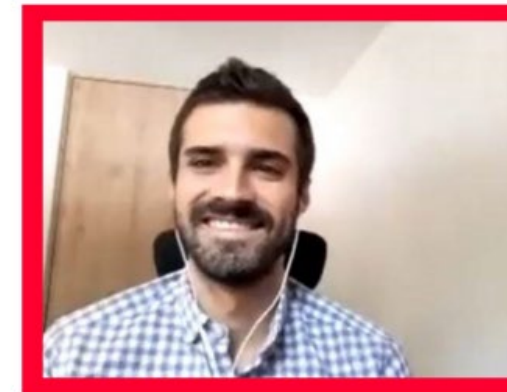
Production of sustainable medical garments for healthcare professionals. The material used in these garments can withstand being washed up to 50 times, in addition to offering maximum resistance against virus and liquids and being flame-resistant. This product reduces the environmental impact of medical garments and drives savings for public and private health services in Mexico.

Winners of MXN \$500,000 in seed capital.

Higher Education Actions during the COVID-19 pandemic

No-one doubts that university students and academic staff play a fundamental role in driving development in Mexico. This is why, despite the difficulties arising from the COVID-19 pandemic, we have successfully remain the banking institution that most supports higher education.

¡Felicitamos a los ganadores mexicanos del Santander X Tomorrow Challenge!



Categoría Re-Work
Luis Fernando, Woke



Categoría Re-Skill
Moís Cherem, BEDU



Santander X Tomorrow Challenge

This global challenge focuses on solutions that help mitigate the socio-economic impact of COVID-19. The prize for this challenge was €20,000 to be used in the development of each winning project. The projects focused on re-skill, re-work, re-invent and re-launch. A total of 4,497 projects were submitted, 1,470 of which were from Mexico, positioning us as the country with the highest number of entries. Two of the winning projects were from Mexico: BEDU and Woke.

TecSalud



Santander Universities donated MXN \$4 million to *Fundación TecSalud* to guarantee the development, research and application of the Convalescent Plasma protocol. This helped the foundation to drive advances in efforts to contain the COVID-19 pandemic.

National Association of Technological Universities (ANUT)

In conjunction with the National Association of Technological Universities (ANUT), Santander donated acetate sheets and PLA plastic filament to make 2,000 face shields for the public health sector, a goal that was achieved in less than 30 days.

100,000 scholarships were also offered via the Santander-ANUT Scholarship program to students, teachers and administrative staff from 120 ANUT-affiliated technological universities around Mexico to promote interpersonal and entrepreneurship skills.

Universidad Anáhuac Puebla

Santander signed an agreement with *Universidad Anáhuac Puebla* reaffirming the commitment of both institutions to society through two co-responsibility projects. At the *Anáhuac COVID-19 Response Center*, created thanks to *Universidad Anáhuac Puebla's* experience in social projects, Santander Universities benefitted more than 8,000 healthcare professionals and 400 families living in poverty through the implementation of two projects: No Doctor Without Protection (*Ningún médico sin protección*) and the donation of food parcels.

FIMPES

The Federation of Private Mexican Institutions of Higher Education (FIMPES) and Santander defined a new roadmap for higher education through a forum entitled Digitalization of the Future of Higher Education, the goal of which was to reformulate joint strategies to benefit the Mexican education system and private universities in Mexico, in addition to defining the roadmap for the future after overcoming the COVID-19 crisis.

IAUP

Santander Universities and the International Association of University Presidents (IAUP) presented the first survey of more than 700 presidents and directors from public and private institutions of higher education. The study reported global pressures on their financial and student attraction models, in addition to implying a potential for permanent changes to their educational models and international education as a result of the COVID-19 pandemic.

Ponte la Verde COVID-19

This is a social project supported by more than 50 companies and civil associations that benefitted more than 5,800 young people from throughout Mexico who put forward project proposals covering a range of different categories – health, food and education – aimed at counteracting the effects of the pandemic. The projects selected were offered professional support and MXN \$10 million in seed capital. First-place winners were also awarded Banco Santander online scholarships and certifications from prestigious international universities.

#YoMeQuedoEnCasa Scholarship Program

Santander Universities, in conjunction with *Fundación IE* from IE University, offered 20,000 scholarships to university students and lecturers through the *#YoMeQuedoEnCasa* program (*#IAmStayingAtHome*). The goal of this program was to help develop their digital, language and leadership skills to help them become better prepared, in both professional and educational terms, for the post-COVID-19 world. The ultimate goal is to facilitate their insertion in the job market.



Universities Alliance - Anáhuac Puebla.

Our commitment to society

(103-2, 103-3)

It is our priority to create an environment that promotes wellness and mutual growth for the communities in which we operate. This is why we have forged a number of strategic alliances with a range of organizations, allowing us to offer programs that have a positive impact on society and help create a better future for all.




Delivery of medical supplies to the INER.





Santander: Responsible Bank


As a result of the COVID-19 pandemic, in our role as a Responsible Bank, we have offered help to sectors that need it the most. In 2020, these were our most significant achievements:


 **+MXN \$15 million**
in medical equipment donated to INER²⁰.

 **125,000**
warm meals for medical staff.

 **MXN \$4 million**
donated to TecSalud for research on COVID-19 treatment.

 **90,000**
items of personal protection equipment for healthcare professionals.

 **6,202**
food parcels and hygiene kits for families

 **App to detect**
COVID-19.

 To find out **more**

²⁰. Instituto Nacional de Enfermedades Respiratorias (National Institute for Respiratory Diseases).

(103-2, 103-3)

Contribution to the Sustainable Development Goals (SDGs) of the United Nations Organization²¹.



People helped.



People helped.



People helped.



People helped.



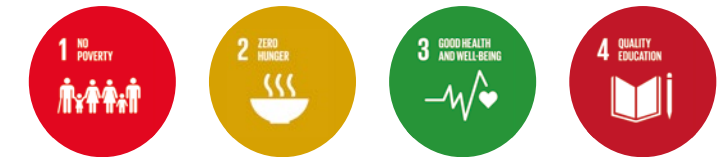
People helped.

21. See Annex II page 253.



Casa de la Amistad beneficiaries.

Fideicomiso Por los Niños de México, Todos en Santander



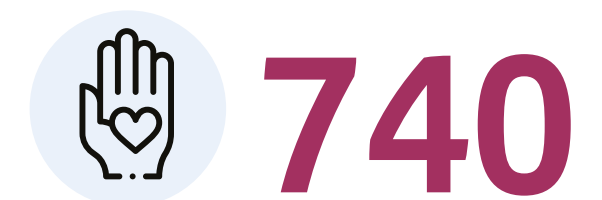
Over the past 26 years:



donated.



boys and girls benefitted.



organizations supported.

One of our areas of focus as a Responsible Bank lies in supporting the comprehensive development of children in Mexico who are at a social and economic disadvantage. Through Fideicomiso Por los Niños de México, Todos en Santander (FPNM) a number of high-impact social projects have been financed, encompassing

areas such as education, nutrition and health. This has allowed us to contribute to the creation of safe environments for child development.

Every year, the FPNM opens an application for CSO's wishing to become part of the program. As a result of the circumstances surrounding the COVID-19 pandemic, in 2020, and for the first time ever, this process was undertaken virtually, involving not only the working committee and academia, but also CSO's and Santander Mexico employees directly. The 2020 application process focused on the same social investment strategies rolled out in 2019: an Annual Application Process and a Triannual Application Process.



In 2020:

73 projects supported with a total investment of **MXN \$11,100,293²²**.

13,078 girls, boys and teenagers benefitted.

313 members of CSO's received training.

73 Santander employees acted as sponsors in 2020.

11,867 employees participated in this initiative in 2020.

22. Includes investment in training for CSO's.

2020 Milestones:



Health Programs

- **60%** of children seen as part of this program received treatment.
- **6%** of children received support to cover medical fees.
- **20%** of children seen as part of this program underwent surgery.
- **40%** of children have been given psychological support.
- **2** transplants.

5,042 children benefitted through 33 projects.



Education Programs

- **1,238** academic assessments.
- **52** teachers received payment.
- **765** children have resumed their studies.
- **886** boys and girls from elementary school to community college students supported.

5,692 beneficiaries through 26 projects.



FPNM beneficiary.



Nutrition Programs

- **860** girls and boys benefitted to help combat malnutrition stemming from being underweight.
- **145** girls and boys supported to help combat malnutrition stemming from being obese.
- **MXN \$ 938,936** earmarked for food supplies.

2,344 beneficiaries through 14 projects.

Teamwork through strategic alliances is of the utmost importance in supporting the FPNM in its efforts to help children in Mexico. To achieve this, we work closely with the following organizations:

1. Fundación Merced: it focuses on monitoring the Triannual Application Process.

2. UNAM National School of Social Work: this partnership allows us to involve academia in the process of monitoring and deciding which social projects are supported by the FPNM.

3. Universidad Anáhuac: it offers consultancy in how to measure the results of the FPNM through workshops and guidance.

4. Medio Ambiente Acuavita A.C.: it helped us develop the Contingency Plan Workshop to analyze the risks of implementing projects in a post-COVID-19 context.



Casa de la Amistad beneficiaries.



156

jobs created through donations made to the 73 organizations.



13,078

children supported: 6,762 girls and 6,316 boys.

Volunteer Jury at Fideicomiso por los Niños de México

During October 2020, 65 of the Bank's employees, in their capacity as volunteers, helped evaluate projects applying for financing from the FPNM in 2021. In total, 40 evaluation sessions were held, during which 119 CSO's and their projects were assessed. In addition to our employee volunteers, 11 university interns were also involved. Some 271 volunteering hours were invested to support boys and girls from vulnerable backgrounds, helping directly benefit 215 people.

Sustainable Partners

Our sustainability strategy focuses on working alongside prestigious organizations that have the same mission as the Bank: contributing to economic growth and development in the country.

We support causes that focus on education, health, environmental conservation, social welfare and any other action that guarantees community prosperity. For more than 16 years, our ATM network has offered our customers and users the opportunity to make voluntary donations to these causes and contribute to social development.

We have channeled more than MXN \$427,427,713 since we began this program, which has helped us support the most vulnerable communities build decent homes and offer them access to education, in addition to protecting children in Mexico and the environment.

Bécalos and Seed Capital

This is a program from the Mexican Association of Banks and Fundación Televisa that is aimed at low-income students, helping them continue their studies, and teachers by offering scholarships aimed at different levels of education:

- Full academic year scholarships for elementary, secondary and higher education.
- Scholarships for academic excellence.
- Scholarships for technical and science degrees.
- Teacher and principal training scholarships.

This has been made possible by fundraising efforts through our ATM's; however, given the public health crisis, it was not possible to implement this program. Nevertheless, we were able to donate MXN \$4,634,019 in seed capital, benefitting 1,268 people.

Casa de la amistad

This organization offers support to children and young people from low-income backgrounds who have cancer. For the fourth year in a row, we used our ATM network for fundraising, achieving a total of MXN \$3,114,693, which was used to treat 452 children and young people through comprehensive medical treatment and free medication.

UNICEF

For a number of years now, we have used our ATM's to support this United Nations organization that protects the rights of children around the world, especially in terms of their right to education. During 2020, we collected MXN \$1,665,558 to benefit 290 teachers, 64% of whom were women.

Reforestamos México

For 13 years we have been working with this organization that focuses on protecting forests in order to guarantee sustainable community development. In 2020, we raised MXN \$1,905,570, benefitting 5,202 people, 859 women and 4,343 men.

Escuelas SER

The School of Self-Improvement, Excellence and Results (Escuela SER) is tasked with offering quality education to children from vulnerable backgrounds. This is the second year we have partnered with this organization, and we raised MXN \$1,464,534 through our ATM network, benefitting 3,206 students and teachers.

Alsea - Va por mi cuenta

In order to eradicate food poverty, we joined the *Va por mi cuenta* initiative, raising MXN \$1,577,358 for the operation of *Las Golondrinas*, a community kitchen that benefitted 3,985 vulnerable children.



14,403

people benefitted through MXN \$9,727,713 raised via our ATM's and seed donation to Bécalos.

Donations

Project/ Program	Description	People benefitted
Fundación Quiera	We made a donation to support children and young people living on the street in conjunction with 54 Instituciones Fortalecidas por Quiera (IFQ's) located in 18 states throughout Mexico.	1,391
Quiera #NoPodemosParar	To support Fundación Quiera, we implemented a fundraising campaign to support its network of Instituciones Fortalecidas por Quiera (IFQ's) during the COVID-19 public health emergency.	1,311
Dalia Women	We promote gender equality, and we support the development of female talent within our Santander communities and the country as a whole through four programs: Santander Women Leaders, sponsorship of Dalia Empower events, Santander Active Promotion, and community benefits.	1,339
Kidney Transplant for Carmen Domínguez 	Banco Santander Mexico donated MXN \$50,000 and a scholarship to Carmen Domínguez, a university student from Ciudad Victoria, Tamaulipas, who started a raffle with a goat as a price to pay for an urgent kidney transplant.	1
Imaginalco	We donated 20 soccer balls to Imaginalco, a program coordinated by <i>Laboratorio de Imaginación y Acción Social</i> A.C. The balls benefitted boys, girls and teenagers currently enrolled in the Yaotécatl Soccer Training School.	70
Ser Padres-Proyecto DEI	We coordinated a series of virtual sessions as a result of the COVID-19 pandemic to promote emotional self-regulation among families registered with the DEI, offering support in terms of parenting, emotional identification, and the channeling of stress within the family, in order to avoid violence-based discipline.	150
Comidas Casa Hogar y Futuro	We organized an in-kind donation of 100 meals per week for boys and girls, donating a total of 1,100 meals during 2020.	160
Donation of food parcels as part of the UNICEF Nutrition, For Every Child program	Through an online fundraising drive with the Bank's employees, we provided nutritional food to families of vulnerable girls, boys and teenagers who have been affected by the economic crisis stemming from COVID-19 in the town of Nezahualcōyotl in the State of Mexico, providing 153 food cards.	612
Total		5,034



We also made donations to:

Red Cross: to provide support as a result of the impact of the pandemic, we decided to help Red Cross medical staff, who, every single day, fight to save people's lives.

Those Who Inspire: to drive the progress of society, we joined this initiative, the goal of which is present figures who are a source of inspiration to young Mexicans.

Consejo de la Comunicación 2020: we joined this initiative to offer Mexican society access to communication campaigns that create a value-added social impact and drive continuous improvement.

Women on Boards Mexico 2020: we are committed to gender equality, which is why we support this campaign, the goal of which is to promote an increase in the number of women in positions of power within companies.

Fundación Albeniz: La Escuela Superior de Música Reina was created to support talented young people and help drive their musical development, bringing everyone closer to high-quality music. As a result of the COVID-19 pandemic, we provided support to allow them to continue their musical education.

Corporate Volunteering

We have made advances in achieving our mission - contributing to the progress of people and of companies - thanks to the hard work and dedication that our employees have demonstrated to vulnerable communities. Every year, we implement volunteering programs to promote a culture of solidarity among our employees, to ensure that they embody this and other values necessary for their holistic personal development

We achieve this by raising awareness among employees of social and environmental requirements in our everyday lives, inviting them to help find solutions to these problems, within the bounds of their capabilities. During 2020, as a result of the public health crisis caused by COVID-19, some of our volunteering was undertaken remotely. In 2020, we achieved:



9,145

volunteering hours.



13,320

volunteers.



25,548

people benefitted.

Our major volunteering activities in 2020 are outlined below:

Volunteer Jury at Fideicomiso por los Niños de México

During October 2020, 65 of the Bank's employees, in their capacity as volunteers, helped evaluate projects applying for financing from the FPNM in 2021. In total, 40 evaluation sessions were held, during which 119 CSO's and their projects were assessed.

Virtual HR Volunteering

In collaboration with Fideicomiso Por los Niños de México, Todos en Santander, nine webinars were transmitted to the organizations supported by FPNM.

These transmissions have benefited both children and adults, covering areas such as health and well-being; healthy habits for children; the importance of environmental conservation; COVID-19 and child health; managing emotions in children; and, coming to terms with loss

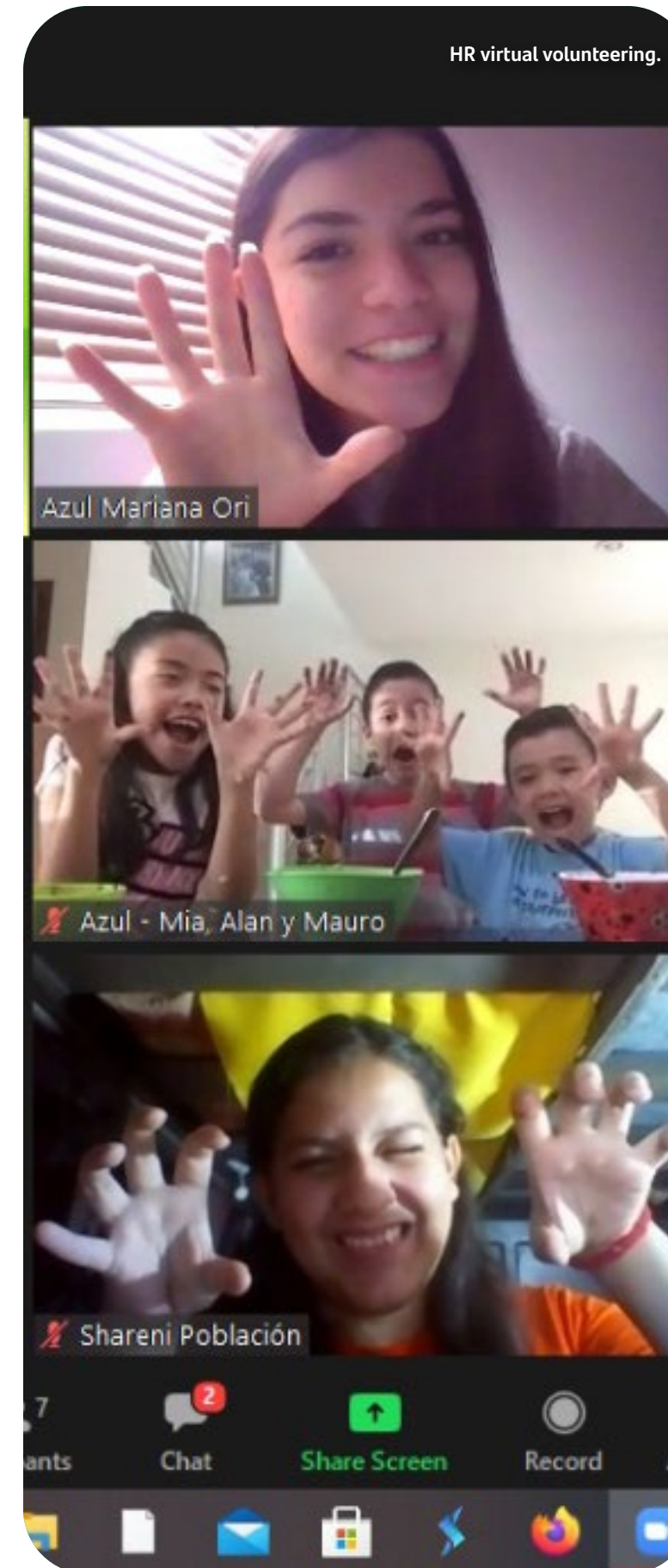
Of the webinars transmitted, a total of 8,220 people were benefitted: 2,985 girls, 2,351 boys and 2,884 adults.

Pro Bono Santander – ITAM Volunteering

Two courses were offered focusing on strategy, innovation and transformation in the financial services sector. The first course was held in June and was aimed at 54 teachers, 16 women and 38 men, from eight academic departments with ITAM. The second course was held from August to December and was aimed at 43 students, 14 women and 29 men, all of whom are in the final semesters of undergraduate programs.

Both courses were given by a distinguished group of executives from the Bank who are directly responsible for a number of different business areas and the processes of transformation and continuous improvement, respectively.

From 2019 to date, the Santander Professional Program at ITAM has directly benefitted a total of 139 participants, including both teachers and students.



Tuiio - Bobashi Volunteering

In January 2020, a total of 700 additional nutritional kits were donated to 700 boys and girls from 14 Mazahua-Otomí communities. At the offices of Fundación Bobashi, a thematic scavenger hunt was held in order to help boys and girls better understand their rights through play. Employees from our corporate offices took part in this event, presenting 100 gifts to the boys and girls present.

In June, and as a result of the COVID-19 public health crisis, a food drive was organized to donate 500 nutritional kits to 500 Mexican families from the Mazahua-Otomí communities, benefiting a total of 2,763 people.

Tuiio Volunteering – Support for the Elderly

The pandemic has represented a major risk for society, especially among the elderly. Through our Tuiio community program, our goal was to help 18 retirement homes located within our communities, involving all Tuiio employees in order to ensure a greater impact. A total of 772 employees took part, helping 402 grandparents by offer them kits to help cover their basic needs.

Risk Pro Charity Volunteering

Three volunteering programs were organized in conjunction with Risk Pro in order to improve the quality of life of children living in Mexico and are supported by the institutions benefited by the FPNM.

- Risk Pro Three Wise Kings: From January the 1st to the 5th, MXN \$48,000 of toys were collected and donated on January 6 to sixty orphans and children with cancer to help make Three Kings Day a special one for them.
- Risk Pro Ton: mass fundraising efforts were organized between November 9 and 13, 2020. The goal was to help the institutions supported by the FPNM. A total of MXN \$72,380 was raised.
- Risk Pro Charity Auction: through an auction coordinated by our Corporate Offices in Santa Fe on February the 12th, 2020, a total of MXN \$98,650 was raised and donated to the FPNM.

Humanitarian Aid

Floods in Tabasco

As part of the Bank's commitment to the community, we donated humanitarian aid to benefit more than 36,000 people affected by the flooding in 10 towns and cities in the state of Tabasco during the month of November 2020.

Santander Support for the Floods in Tabasco

Santander Mexico has always shown its solidarity for emergency situations in the country, which is why we directly supported 36,000 people affected by the flooding in Tabasco by providing food and hygiene supplies

The aid we provided reached some of the most vulnerable communities located in areas that were particularly affected by the flooding, and it was possible thanks to a co-investment with World Vision Mexico and Fundación Gigante (19,915 people benefited), our partnership with the National Center for Epidemiological Contingencies and Disasters (CENACED), and the logistical support of Juntos X México and Por Tabasco (16,190 people benefitted).

Tuiio Tabasco Volunteering

Support for Employees in Tabasco

We closely monitored employees from the state who had been affected in order to ensure they were safe and if they needed any help. This is why we launched a fundraising campaign in the southeast region, during which a total of MXN \$27,222.80 was raised. We then doubled this, reaching a final total of MXN \$54,445.60.

Support for society

Tuiio supported the areas of Tabasco affected by the flooding by donating 249 food parcels, with a total value of MXN \$27,790. This was possible thanks to the participation of 62 employees. The food parcels were divided and delivered in the following manner:



Santander Alliance Beneficiary - AMA Foundation.

- Villahermosa: 157 food parcels for 157 customers (20 groups).
- Macuspana: 78 food parcels for 78 customers (9 groups).
- Employees: 14 food parcels donated to employees.

Community Actions during the COVID-19 pandemic

This public health crisis arrived without warning in 2020 and spread rapidly, affecting every sector of Mexico and around the world. Despite the adversities faced, we implemented a range of support programs in Mexico to help mitigate the impact caused by the COVID-19 pandemic in every aspect possible.

Community Support

CMR Community Kitchens

We worked with Fundación CMR, A.C. and Comedor Santa María, A.C to combat anemia and malnutrition in children. We supported 120 vulnerable boys and girls in the community of Santiago Tlapanaloya, Tepeji del Río, Hidalgo.

Each of the children registered with the community kitchen received a meal every single day. As a result of the pandemic, these meals were delivered in order to ensure compliance with all health protocols. They were also offered tools to help them make the right decisions, reduce domestic violence, and promote resilience.

Donations to Fundación AMA in collaboration with the Zurich Foundation

In order to mitigate the economic impact on vulnerable families as a result of the public health crisis, we donated food parcels and hygiene kits to 6,202 families from the states of Mexico, Puebla, Guanajuato and Mexico City. This donation, which represents an investment of MXN \$2,139,690, was made through Fundación AMA and in collaboration Zurich Foundation. Santander's investment totaled MXN \$1,069,845.

In total, some 31,010 people were benefited, 15,505 of whom were supported by Santander, including domestic workers, farming families, migrants who are stuck in Mexico, and people who sell products on the street, work at fairs, or who lost their jobs.

Esto lo superamos juntos portal

In order to support the most vulnerable sectors during this crisis caused by the pandemic, we launched Esto lo superamos juntos (We overcome this together). This portal can be freely accessed by people and companies no matter whether they are customers of Santander or not, and its goal is to mitigate the impact caused by the public health crisis. It contains valuable information for entrepreneurs and SME's, in addition to offering the community in general official information from the government, health and wellness tips, entertainment and remote working options, a directory of volunteers for mutual support, and a section including all our programs that aim to help combat adversity caused by COVID-19.

COVID-19 Detection App

In partnership with BBVA Mexico, We developed the digital platform that offers the general public free access to a personal and family COVID-19 self-diagnosis tool. The app, which was donated to the Mexican government, also offers information about the location of COVID-19 health centers and hospitals, in addition to providing direct access to press conferences, FAQ and tips. Telcel also collaborated on this project, offering free access to the app so that users do not have to use their data plans and are not charged for text messages.

Support for Medical Staff

Donation of food to healthcare staff in collaboration with Fundación Gigante and Zurich Santander

In conjunction with Fundación Gigante and Zurich Santander, we made a donation to medical and administrative staff at the Salvador Zubirán National Institute of Medical Sciences and Nutrition and the National Institute of Respiratory Diseases (INER), who treat patients with COVID-19. We provided 125,000 hot meals prepared by Grupo Presidente and Grupo Restaurantero Gigante, through their Toks, Panda Express, El

Farolito and Beer Factory brands, ensuring strict compliance with hygiene and packaging measures. These packages included a letter in which Santander thanked them for their outstanding efforts during this public health crisis.

These meals were donated in June and July 2020, benefitting 3,800 people through a total investment of MXN \$3,886,000, encompassing 20,600 breakfasts, 31,500 lunches and 14,900 dinners.

Donation of medical equipment to the National Institute of Respiratory Diseases (INER)

Through an investment totaling MXN \$15 million in mid-2020 we donated equipment to the National Institute of Respiratory Diseases (INER), providing them with 1,250 circuit boards for ventilators, 38 hospital beds, 100 vital signs monitors, and 50 ventilator heating units. Also, Zurich Santander, in conjunction with the Zurich Foundation, joined this delivery with 10,068 3M N95 masks and 4,000 surgical gowns.

Contagia Solidaridad Partnership

Through the Contagia Solidaridad initiative, supported by Grupo Coppel, Fundación FEMSA, Santander, Soriana, Fundación Televisa and OXXO, we provided more than 9.3 million PPE kits to more than 90,000 healthcare professionals from 150 hospitals and 16 Red Cross delegations. These companies came together at the end of April to ask the general public to support this initiative in May and June in a number of different ways. The original goal set by the alliance was exceeded, and it has helped protect almost 20% of the country's healthcare workers.

Donations were received directly in the account through our countrywide ATM network and at participating OXXO stores. We invested MXN \$23,000,000, and the generous contributions made via Santander ATM's and donations to the Ayuda Santander account in May and June, in addition to the donations made as part of the OXXO Round-Up campaign, totaled just over MXN \$10 million. These were then quadrupled thanks to the contributions of Grupo Coppel, Fundación FEMSA, Santander and Soriana.



Delivery of medical supplies to the INER.



06

Our report

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About this Report

(102-46, 102-48, 102-49, 102-50, 102-51, 102-52, 102-53, 102-54, 102-56)

This is the tenth year we have published our Responsible Banking Report, highlighting Santander Mexico's major milestones in the areas of the economy, society, environment and corporate governance.

We have reaffirmed our commitment to being a transparent Institution by reporting our progress in achieving the ten principles of the Global Compact, our contribution to the United Nations Sustainable Development Goals, and our performance in ESG (Environmental, Social & Governance) criteria and in the UNEP FI Principles for Responsible Banking.

The information herein provided corresponds to the period comprising January 1 to December 31, 2020, encompassing the most relevant topics of our different stakeholders, taken from our materiality study. Furthermore, we comply with the GRI Standards reporting principles for content and quality.

"This report has been prepared in accordance with the GRI Standards: Core option." The information herein contained was determined by Banco Santander México, S.A., Institución de Banca Múltiple, Grupo Financiero Santander México.

There were no significant changes nor restatement of information to the list of material topics and the coverage of said topics with regard to the 2019 Responsible Banking Report (published on April 30, 2020). Content 303-1 was updated from version 2016 to 2018 in accordance with the GRI Standards, however this material topic has been maintained in previous reports.

The Responsible Banking Report 2020 is externally verified by PricewaterhouseCoopers (PwC) who maintains a relationship as a supplier to carry out this process in Santander Mexico, providing trust and transparency to the information reported in the scope of content verification.

The Audit Committee is in charge of proposing to the external auditor, analyzing its opinion and evaluating its performance. The area in charge of requesting verification is the Executive Directorate of Public Relations, Internal Communication and Responsible Banking, whose Deputy General Director of Studies, Strategy, Public Affairs and Chief of Staff of the Executive Presidency is Rodrigo Brand de Lara who also belongs to the Board of Directors.

To learn more about the 2020 Responsible Banking Report or about the Bank's sustainability actions, please write to us at:

responsabilidadsocial@santander.com.mx
bancaresponsable@santander.com.mx

Management approach for material topics (102-44, 102-47)

(102-44, 102-47)

Material Topic	Management Approach (103-1)	Coverage
CUSTOMERS		
Customer satisfaction	Customer satisfaction is synonymous with outstanding service. We are characterized for offering tailor-made, accessible, fair and innovative service every time one of our customers uses our services.	Our customers play a fundamental role in the prosperity of the business, which is why we have a range of strategies and channels in place, through which we focus on ensuring greater customer satisfaction. At our branches, we implemented the Santander Touch program to offer each of our customers a unique experience when they visit our branches, in addition to ensuring that our employees receive constant customer service training. We listen to what our customers say through a range of different channels to learn more about their opinion of us and to identify any areas of opportunity.
Digitalization	One of our priorities is adapting to the constant technological changes inherent in our digital age. The integration of new technologies into our business will allow us to streamline processes, drive our competitiveness and offer added value to our customers by improving our products and services.	Technology has been our ally in improving customer experience. It has enabled us to optimize the accessibility of our channels and platforms, meeting the needs of our users. We have a number of different tools and platforms that focus on our customers, including <i>Santander Personal</i> , <i>Santander TAP</i> , the <i>Santander Móvil</i> app and the <i>SuperMóvil</i> app, not to mention 100% digital account onboarding and a virtual SuperNET assistant, among others.
Financial inclusion	One of the Principles of Responsible Banking lies in reducing poverty and helping drive inclusive growth among low-income populations and the unbanked.	<i>Tuiio</i> , our financial inclusion program, is aimed at segments of the population with limited or no financial inclusion, offering competitive and comprehensive microloans that allow us to have a social impact.
EMPLOYEES		
Talent attraction and retention	The talent within our organization is the driving force behind our sustainability, which is why one of our major goals is the holistic development of our employees in terms of their skills and family lives, which, in turn, leads to stability within the organization.	Through strategic performance evaluation programs, we assess, recognize and drive the development of our employees in a fair and equitable manner. Furthermore, we have talent attraction programs, such as <i>Linkers</i> and <i>Young Talent</i> . We combine these programs with our Work-Life Balance model to help promote holistic wellness.

Material Topic	Management Approach (103-1)	Coverage
Diversity and inclusion	It is a strategic component of our business development, which focuses on recognizing the diversity of ideas and proposals that enrich the company.	Through our Diversity and Inclusion Committee we coordinate an agenda within the organization that encompasses female talent, young talent and work-life balance, the goal of which is to enrich the decision-making process.
Occupational health and wellness	Promoting holistic wellness is an essential factor in the construction of prosperous societies, and we contribute by joining forces to guarantee a safe work environment for our employees.	We have internal and external committees through which we offer courses covering civil protection, operational risk, branch security, and health and safety. We also strive to promote the holistic wellness of our employees through our BeHealthy program, which encompasses four pillars: Know Your Body, Feed Your Body, Move Your Body and Balance Your Body.
BUSINESS STRATEGY		
Culture of risks	We promote a culture of risk management to ensure compliance with our values and protect our position as a robust, safe and sustainable bank, as this is a fundamental part of our sustainability. The way in which we manage risks is aligned with the interests of our major stakeholders.	We have a Risk School in Mexico, the goal of which is to promote a culture of risk that is aimed at the Bank's employees, in addition to identifying areas of opportunity and consolidating the culture of risk. We have also implemented a Management Model designed around three lines of defense: 1) Business Areas, Back Office, Support Areas, and Risk Owner Support; 2) Compliance and Risks; 3) Internal Audits.
Business ethics	The forging of trust-based relationships with our stakeholders through robust corporate ethics is fundamental to our operations.	To ensure compliance with our General Code of Conduct (CGC), we promote our Culture of Ethics through our principles, values and ethical standards. Our employees also have access to our Ethics Line to report any ethical issues.
Cybersecurity	The use of technological tools has allowed us to streamline our processes and communication with our stakeholders. We are certain that it plays a pivotal role in our success. We know the dangers of using these tools, which is why we strive to continuously bolster our cybersecurity.	We have a policy that focuses on established technological risks, and we implement good practices to safeguard information through five behavioral standards. We raise awareness among our employees through training, internal communication campaigns and activities focusing on the importance and responsible use of information and of the information technologies available to them.

(102-44, 102-47)

Material Topic	Management Approach (103-1)	Coverage
CORPORATE GOVERNANCE		
Corporate Governance	Ensuring a culture of transparency and accountability is of the utmost importance to our sustainability. Our priority is to promote and protect our corporate values, which has enabled us to consolidate a culture based on respect and justice. Furthermore, we implement and monitor our alignment with the standards and interests of our stakeholders.	We guarantee the correct handling of resources to safeguard the trust placed in us by our stakeholders through the Board of Directors and its Committees, which are tasked with exercising their faculties to review, authorize and monitor guidelines that underpin the ethics and transparency of our operations.
ENVIRONMENTAL IMPACT		
Environmental Footprint	We are fully committed to improving the environment by promoting and using sustainable energy, saving water, and correctly handling, treating and disposing waste, through programs to streamline transportation and improve energy efficiency to help decrease the impact of our carbon footprint.	We have embodied our commitment to fighting climate change by becoming carbon neutral* in 2020. We obtained a Certified Emission Reduction for a total of 67,845 tons of CO ₂ . We monitor consumption through invoices, the use of treated water, and waterless urinals, among others. We also have processes to promote the proper handling of paper, cardboard, packaging and glass that is aligned with the Santander Global zero-tolerance policy for single-use plastics.
SOCIAL IMPACT		
Community Investment	In terms of Communities, we support the people and local communities in the areas in which we operate to help promote wellness and mutual growth through a range of different initiatives in which education is the driving force for sustainable social development and change.	Through our Communities approach, we promote education, offering children and young people access to quality education. We also make donations to benefit marginalized children in Mexico. We play the role of a sustainable partner by using our ATM network to receive donations from customers and users to help support a range of social and environmental causes, and we provide humanitarian aid through our volunteering programs and donations.
Support for entrepreneurship	Promoting employee and economic growth is part of our commitment as a Responsible Bank, which is why we focus on the future in order to identify how to support entrepreneurship.	Every year, we organize the country's leading university entrepreneurship competition: the Santander Business Innovation Award. We also offer programs and scholarships that promote dynamic and innovative entrepreneurship and the creation of new companies.

* Verification by PwC was carried out in compliance with the requirements of the GRI standard 102-14, 102-15, 102-44, 102-47, 103-1, 302-1, 305-1 and 305-2. In particular, the offsetting of emissions to become carbon neutral based on the CER and other informative data were not validated in this content.

(102-44, 102-47)

Material Topic	Management Approach (103-1)	Coverage
PRODUCTS AND SERVICES		
Sustainable financing	As part of our Responsible Banking Agenda, we support sustainable financing that takes into account environmental, social and governance criteria. We focus on promoting projects that aim to benefit the environment and drive the progress of society.	To drive projects that have a positive impact on the environment and on society, we spearhead the issuing of sustainable bonds through Santander Corporate and Investment Banking (SCIB) Mexico. A clear example of this was the issuance of the FEFA 20G Social Gender Bond. We support other green financing for hybrid and electric cars, including through <i>Auto Verde</i> and our partnership with Tesla.
SUPPLIERS		
Sustainable procurement	The members of our value chain play a fundamental role in jointly achieving sustainability and Responsible Banking goals. This is why we look for suppliers who comply with the ethical, legal, social and environmental principles that are part of the day-to-day activities at Santander.	100% of the contracts we have with our suppliers have a Social Responsibility Protocol clause, the goal of which is to safeguard human rights, fair labor practices, environmental conservation, and anti-corruption measures.

ANNEX I

Profile of the Board of Directors (102-22)

INDEPENDENT SERIES "F" DIRECTORS

Mrs. Laura Renne Diez Barroso Azcárraga

From 2007 to date, she serves as General Director of LCA Capital in which she participates in internal investment committees to analyze potential acquisitions, makes investment and divestment decisions through the investment portfolio, and is a member of the Hotel Secrets Puerto Los Cabos Board of Directors, Cross Border Xpress and Self Storage Development. She is also President of the Board of Directors of Grupo Aeroportuario del Pacífico, attending to the main projects and strategic initiatives, is a member of the Compensation Committee to promote talent retention and staff development, collaborates in the Acquisition Committee to analyze the projects of investment and in the Operating Committee to analyze the monthly performance and relevant events of each airport. She was an Independent Director of the Board of Directors for almost 16 years of Grupo Financiero Inbursa and Telefonos de México. Ms. Laura Diez

Barroso actively participates in the Centro Histórico Foundation, the LCA Capital Foundation, the San Ildefonso Old School Board, the GAP Foundation (Escuelas SER), the UDEM-Roberto Garza Sada Center and the Pro-Bosque de Chapultepec Trust.

Mr. César Augusto Montemayor Zambrano

He is an entrepreneur and private investor. He spent 14 years in global investment management in New York at JP Morgan Treasury, and later managing global funds through his company. In Monterrey he founded what is now InverCap AFORE, which he presided over and directed for 20 years. Currently he is a shareholder, director, founder and honorary president of InverCap. He served as President of COPARMEX Nuevo León from 2015 to 2017 and continues as National Councilor. He

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currently participates as Counselor of the Higher School of Music and Dance, University of Monterrey, MARCO Museum and Tec Milenio University. He is also a member of the Board of Directors and chairs the Audit Committee of Tec de Monterrey. He is one of the founders and current President of *Hagámoslo Bien*. He chairs the Public Finance Commission of the Nuevo León Council. He is a Chemical and Systems Engineer from the Monterrey Institute of Technology and Higher Studies in 1980. With a Postgraduate Degree in Chemical Engineering and Business Administration from Columbia University in New York where he obtained a Master of Science degree.

Mrs. Bárbara Garza Lagüera Gonda

She is the President of the Acquisitions Committee of FEMSA Cultural Projects. Director of the following listed companies: Coca-Cola FEMSA (KOF) and Fomento Economico Mexicano (FEMSA), the largest bottling franchise for Coca-Cola products of the world. She also serves as counselor for Financial Solutions (SOLFI), Fresnillo and Promecap Acquisition Company and also on the boards of non-profit organizations Patronato Museo Franz Mayer, Fondo para la Paz, Museo de Arte Contemporáneo de Monterrey, among others. She has a degree in Business Administration with a master's degree from the Technological Institute of Superior Studies of Monterrey

Mr. Juan Gallardo Thurlow

He has served as Chairman of the Board of Directors of Grupo GEPP (Group of Pepsicola Bottlers and their brands in the Mexican Republic) and of Grupo Azucarero México, S.A. of C.V. He is a member of the Board of Directors of Caterpillar, Inc. and of Lafarge, S.A., of the international advisory board of Bombardier Inc. He is a member of the Mexican Council of Businessmen, A.C. and the Business Council of Latin America. He is the General Coordinator of COECE (Coordinator of Foreign Trade Business Organizations for negotiations with the Free Trade Agreements of Mexico). From 1978 to 1989 he served as a member of the Board of Directors of Babcock de México, S.A. of C.V. From 1974 to 1988 he was president of the Board of Directors of Clevite de México, S.A. of C.V. From 1981 to 1983, he was deputy general manager of Grupo Industrial Minera México, S.A. From 1976 to 1980 he was General Director of the international and investment banking division of Multibanco Comermex, S.A., Institución de Banca Múltiple.

He graduated in Law from the Escuela Libre de Derecho, and has an AD II Program at the PanAmerican Institute of Senior Business Management.

Mr. Guillermo Jorge Quiroz Abed

He served as the Corporate Director of Administration and Finance at Grupo Bimbo for the past 18 years. From 1997 to 1999 he was in charge of the Finance Department of the Santander Serfin Group, involved in the restructuring of the bank and subsequent sale to the Santander Financial Group. He started his professional career as Finance Director in Grupo Condumex from 1978 to 1992 and later had the same address in Aeromexico, Mexicana de Aviación and Cintra until 1997. He was a full-time professor in the finance area at IPADE. He is an Actuary from the Anahuac University and the Autonomous University of Mexico and has a Master's degree in Business Management from IPADE.

Mr. Eduardo Carredano Fernández

He is an independent member of the GFSM Board of Directors, Banco Santander México, Santander Stock Exchange, Santander Consumo and Santander Vivienda. He is Chairman of the Board of Directors of La Ideal S.A. of C.V., Aceros La Ideal S.A. of C.V., Aceros La Ideal S.A. of C.V. Industrial Formacero, S.A. of C.V. and Fianzas Asecam, S.A., is also a member of the Board of Directors of Inmobiliaria Silver, S.A. de C.V., Asecam, S.A. de C.V., Grupo Financiero Asecam, S.A. of C.V. He was a member of the Boards of Directors of Credicam, S.A. de C.V., SOFOM E.R. from 1991 to 2008 Seguros Génesis, S.A. from 1993 to 1997, and Fianzas Asecam, S.A. from 1994 to 2014. He studied Public Accounting at the Universidad Iberoamericana

NON-INDEPENDENT SERIES "F" DIRECTORS

Mr. Héctor Blas Grisi Checa

He is a member of the Board of Directors of GFSM, Banco Santander Mexico, Santander Stock Exchange, Santander Consumo and Santander Vivienda and serves as the Executive Chairman and CEO of Grupo Financiero Santander México and Banco Santander (Mexico). He was the Executive President and CEO of Grupo Financiero Credit Suisse (Mexico), S.A. of C.V. from 2001 to 2015, from 2001 to 2006 he served as the General Director of the same Institution, previously from 1997 to 2001, he was Director of Investment Banking at Credit Suisse Mexico.

He was a member of the Board of Directors of Credit Suisse Americas, of the Global Credit Suisse Committee and Member of the Americas Operating Committee. He also held several positions in Grupo Financiero Invermexico from 1991 to 1997, in the investment and corporate banking divisions. From 1986 to 1991, he worked at the Casa de Bolsa Inverlat, in the corporate banking department. He is Vice President of the Association of Mexican Banks since 2011. He has a degree in Finance from the Universidad Iberoamericana of Mexico City, where he graduated with honors.

Mrs. Magdalena Sofía Salarich Fernández de Valderrama

In 1979 she started working as head of the department Information Center of Citroën (Hispania), in 1980 she was designated head of the training department, in 1986 she was designated Marketing Director, later in 1993 she was appointed attached to the commercial management for Europe of Citroën Automobiles position that she combined attached to marketing management, until 1994, when she was appointed marketing director for Europe. In 1996 she was named Executive Vice President of Citroën Hispania, as well as European Commercial Marketing Director in Citroën cars, in 2001 was appointed Commercial Director in Europe and Commercial Marketing Director in Citroën cars (27 countries), in the same year she was appointed Executive Director and Vice President Senior Citroën Spain. In 2007 she was appointed Vice President Senior of the Ramón Areces Foundation. Currently she works as Senior Vice President of Banco Santander, S.A. So as CEO of Santander Consumer Finance, Vice President of the Board of Directors and member of the Santander Consumer Finance Executive Committee, as well as member of the supervisory committees of Santander Consumer Bank AG, Santander Consumer Holding GmbH and member of the Board of Directors of Financiera El Corte Inglés, E.F.C. S.A. She has obtained various recognitions, among which highlight: Légion d'Honneur of the French Republic in the 2001; the Golden Cross of the Spanish Development Association European in 2007, as well as the Best Manager award of the Year, granted by the Spanish Association for Company Financiers and Treasurers (ASSET). 2006. She is an Engineer from the Catholic Institute of Arts and Industries (ICAI), hold a master's Degree in commercial management and marketing from the Instituto de Empresa and general management studies at the Institute of Studies Superiors of the Company (IESE).

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Mr. Francisco Javier García-Carranza Benjumea

He is the Deputy General Director of Banco Santander. He is in charge, globally, of Restructuring, Participations, Real Estate, Recovery Strategy and Loan and Asset Provisions. Before joining Banco Santander in February 2016, he worked at Morgan Stanley, based in London, as Co-Head of Real Estate Investment Banking for EMEA (Europe, Middle East and Africa). At Morgan Stanley he advised clients on issues of Mergers and Acquisitions (M&A), equity financing transactions and debt for more than \$ 100 billion. The most important transactions include: PVO of Inmobiliaria Colonial, OPV of Fadesa, OPV of Emaar Maals Debt and Equity, Aldar-Sorouh merger, acquisition of Gecina by Metrovacesa, acquisition of Urbis by Reyal, restructuring and OPV of Inmobiliaria Colonial, acquisition of Testa by Merlin Properties, among others. Mr. García-Carranza also has experience in investment business, having made investments for Morgan Stanley Real Estate Funds and for Morgan Stanley Special Situations Fund in the United Kingdom, Spain, Italy, France and Germany, having made investments in excess of \$ 5 one billion He is a member of the Board of Directors and the Executive Committee of Metrovacesa Suelo y Promoción SA, member of the Board of Metrovacesa promotion and Leasing, of the Asset Management Company from Banking Restructuring (Sareb), Banco Popular SA, Santander Spain, Altamira Asset Management SA, Altamira Real Estate, and President of Merlin Propertiesy Board Member of Santander Capital Desarrollo SGEIC SA. He has a degree in Business Administration from the Carlos III University of Madrid

Mr. Ángel Rivera Congosto

He is General Director of Commercial Banking at Banco Santander Mexico as well as member of the Board of Directors of Banco Santander, Santander Peru and Uruguay. He began working in the Santander Matriz Group in April 2013 as General Director of the Business, SMEs and Institutions Area within the Commercial Banking Division. For 24 years he worked in the Banco Popular Group, where after working in retail branches, he headed the Presidency Cabinet, the International Banking area, with responsibility also for correspondent banking and the Group's offices abroad; the Strategy and Corporate Development area, the Human Resources Division, the General Directorate of Media, the latter grouping the Technology, Organization, Operations and Human Resources departments, and the General Directorate of the Commercial Network, with responsibility for the network of Popular branches and its five subsidiary banks,

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marketing and business intelligence management. He was also a member of the Management Committee, the Defaulters and Recovery Committee and the ALCO Committee. He has a Diploma in Tourism Companies and Activities from the Official School of Tourism of Spain, he also carried out the Program of Senior Business Management (PADE) at IESE (University of Navarra) and the Development Program in Corporate Finance at the Institute of Company of Madrid. In addition, he has carried out various financial programs in the United States and Australia and is a member of the Australian Institute of Banking & Finance.

Mr. Didier Mena Campos

He is Chief Financial Officer since November 2016, before he was Deputy General Director of Finance at Banco Santander México in May 2016. Before joining Grupo Santander, Mr. Mena worked in several financial institutions as: (i) Execution Finance, an investment bank, where he was a Partner from 2014 to 2016, (ii) Navix, a financial company focused on financing companies in the Mexican energy sector, where he was CEO from 2013 to 2014, (iii) Credit Suisse, whose last responsibility was as Managing Director of the Group of Financial Institutions of Latin America between 2010 and 2012, (iv) during 2008 to 2010 he was Chief Financial Officer of Financiera Independencia, (v) Between 2001 and 2008 he served as Director of Credit Suisse in Investment Banking and Fixed Income and (vi) and collaborated for Grupo Financiero BBVA Bancomer from 1994 to 2000, with responsibilities in the ALCO and participating in operations atégicas such as the merger with BBVA, the acquisition of Banca Promex, the acquisition of the 49% stake held by Aetna Seguros, Afore and Pensiones Bancomer and the strategy of the branch network. Outside of the financial sector, he worked at Oro Negro, a Mexican drilling company, from 2012 to 2013 as Financial Director and Director of Investments. He studied economics at ITAM and received his master's degree in business administration from Boston University

Mr. Rodrigo Brand de Lara

He is Deputy General Director of Studies, Strategy, Public Affairs and Chief of Staff of the Presidency of Banco Santander México since 2011. In 2010, he was General Director of the Division of Social Communication of the Ministry of Foreign Affairs. From 2006 to 2010, he was the head of the Social Communication Unit and Speaker of the SHCP. From 2004 to 2006, he served as General Director of Social Communication and Institutional Liaison of the IPAB, previously held various positions in the SHCP:

2003 to 2004 Deputy General Director Economic and Financial Analysis, 2000 to 2001 Senior Advisor to the Undersecretary of Finance and Public Credit, 1999 to 2000 Deputy Director of Internal Credit Coordination and Collection. From 1996 to 1999, he was an Economist for Mexico at Deutsche Morgan Grenfell and during 1996 he was also an Advisor to the Deputy Director of Financial Engineering at Banobras. He has a degree in Economics from the Instituto Tecnológico Autónomo de México.

INDEPENDENT SERIES "B" DIRECTORS

Mr. Antonio Purón Mier y Terán

He has served as a member of the Board of Directors of Nadro, S.A., as well as the Board of Trustees of the National Museum of Art, Banco Santander Matriz and the Board of Trustees of the Universidad Iberoamericana. He has also served as a member of the Board of Directors of Zurich Santander Seguros México, SA, he has also worked as an associate of the Center for Research and Economic Analysis (CIDAC) and as a member of the Institute for Development and Educational Research (IFIE) and of Metropoli 2025. He has worked as a consultant for public and private institutions regarding strategy, operations and organization in collaboration with the Center for Economic Research and Teaching (CIDE) and with other specialists. He served as director-partner in the Mexico office of McKinsey & Company, Inc., for more than 26 years. He has served as a teacher of training courses for McKinsey partners and has been in charge of the "coaching" program of partners worldwide. Before starting at McKinsey, he was a full-time professor at the Universidad Iberoamericana and worked at the Mexican Petroleum Institute, Pan American Engineering and Polioles, S.A. He is a Chemical Engineer from the Universidad Iberoamericana and has a Master's Degree in Business Administration from Stanford University.

Mr. Fernando Benjamín Ruíz Sahagún

He serves as board member of the Bolsa Mexicana de Valores, S.A.B. de C.V., Fresnillo, PLC, Grupo Cementos de Chihuahua S.A.B. de C.V., Grupo México, S.A.B. de C.V., Grupo Palacio de Hierro, S.A.B. de C.V., Grupo Pochteca, S.A.B. de C.V., Kimberly Clark de México, S.A.B. de C.V., Mexichem, S.A.B. de C.V., RASSINI, S.A.B. de C.V., and Arcelor Mittal Las Truchas, S.A. of C.V. He has served as a member of the International Tax Association (IFA for its acronym in English) and the Mexican Institute of Finance Executives, A.C., as well as a member of the Mexican Institute of

Public Accountants, A.C. and served as a member of his Council. He is one of the founding partners of Chévez, Ruiz, Zamarripa y Cía. S.C., a tax office in which he has served as a counselor. He holds a degree in Public Accounting from the National Autonomous University of Mexico.

Mr. Alberto Torrado Martínez

He is a member of the board of directors of the Bolsa Mexicana de Valores, S.A.B. de C.V., ProBosque de Chapultepec Trust and member of the Mexican Business Council. He is founder, General Director, Patrimonial Advisor, Chairman of the Board of Directors, Executive President of Alsea, S.A.B. of C.V. He has served as President of the National Association of Fast Food Services and as a member of the National Chamber of the Restaurant Industry and Seasoned Foods. He is one of the founding partners of Torrqin, S.A. of C.V. (Master Domino's franchise), holding the position of General Director. He holds a Bachelor's Degree in Accounting from the Autonomous Technological Institute of Mexico, post-graduate studies at the Pan-American Institute of Corporate Senior Management and participated in several courses at Harvard Business School and Wharton School at the University of Pennsylvania.

Mrs. Maria de Lourdes Melgar Palacios

She is an academic and consultant, expert in energy and development issues sustainable, based in Mexico, and a researcher affiliated with the Center for Collective Intelligence of the Massachusetts Institute of Technology (MIT), where she held the Robert E. Wilhelm Chair at the Center for International Studies during the 2016-2017 academic year. In the academic field, she has been Founding Director from the Sustainability and Business Center from EGADE Business School of the Tecnológico de Monterrey, visiting researcher at the Woodrow Wilson Center for International Scholars and at the Jackson School of Geosciences at the University of Texas, as well as a professor at the Tecnológico de Monterrey and the Instituto Tecnológico Autónomo de México. She is a National Researcher of the National Council of Sciences and Technology. She graduated with honors from Mount Holyoke College where she studied International Relations and Comparative Literature. He has a doctorate in political science, specializing in political economy, from MIT. She is a member of the International Women's Forum and chairs IWF Mexico, she is Global Ambassador of Vital Voices, ambassador in the C3E Women in Clean Energy initiative. She is

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a member of the Mexican Council of International Affairs and the Trilateral Commission. She has been recognized with Woman of Challenges in 2015, has been included in the list of 100 Leaders of the Mexican energy sector for 7 consecutive years, receiving in 2012 the Award for Energy Achievement for academic and research career, as well as the Vasco de Quiroga Award to the citizen's merit by the Álvaro Obregón Delegation.

Mr. Jesús Federico Reyes Heróles González Garza

From 2006 to 2009 he was the General Director of Petróleos Mexicanos. He is the Executive President of StucturA. He is a member of several Boards of Directors, including OHL México, S.A.B. of C.V. and Water Capital Mexico (WCAP Holdings, S.A. de C.V.). He is a member of the Energy Intelligence Group Advisory Board. From 2010 to 2012 he served as a member of the Advisory Board of Deutsche Bank. He is a member of the Water Advisory Council, A.C. and Chairman of the Water Committee of the Gonzalo Río Arronte Foundation. From 1997 to 2000 he was Ambassador of Mexico to the United States. From 1995 to 1997 he was Secretary of Energy. From 1994 to 1995 he was Managing Director of Banobras. From 1993 to 1994 he was the representative of Mexico in the Eminent Persons Group of APEC. He has a degree in Economics from the Autonomous Technological Institute of Mexico and a Law Degree from the National Autonomous University of Mexico. He has a Doctorate in Economics from the Massachusetts Institute of Technology.

Mr. Rogelio Zambrano Lozano

He is Chairman of the Board of Directors of CEMEX S.A.B. since May 15, 2014. He served as a member of CEMEX's Board of Directors since 1987 and from 1997 he chaired his Finance Committee. He founded in 1983 and headed until his appointment as the new President of the Board of Directors of CEMEX the company CARZA S.A. de C.V., specialized in the development of real estate projects in Mexico. Between 1977 and 1983 Mr. Zambrano Lozano held various positions at CEMEX, in areas related to production, distribution, marketing and strategic planning. He has been a professor since 1985 in the Division of Business Development of the Technological Institute of Monterrey, as well as a member of the Business Executive Committee of the Business Incubator and President of the Business Council of the Business Incubator Campus Monterrey of the same Technological Institute of Monterrey. He graduated as an Industrial and Systems Engineer from the Technological Institute of Monterrey in 1977 and

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obtained a Master's Degree in Business Administration (MBA) in 1980 from the Wharton Business School of the University of Pennsylvania, USA.

Mr. Guillermo Francisco Vogel Hinojosa

He is currently President of the National Chamber of the Iron and Steel Industry (CANACERO), formerly held the same position from 1987 to 1989 and from 2001 to 2003. He is Vice President of the Board of American Iron & Steel Institute (AISI) and President of the North American Steel Council. He is a member of the Boards of: Tenaris, Techint Mexico, ALFA Corporation, Universidad Panamericana-IPADE, Rassini, Mexican Capital Investment Corporation, Innovare, Grupo Assa and American Iron and Steel Institute among others. He is also Chairman of the Board of Directors of Grupo Collado and Exportaciones IM Promoción and member of the Trilateral Commission and the International Council of the Manhattan School of Music. Previously, he held the position of Executive Vice President and CEO of TAMSA in 1987. In June 1997, he was promoted as Vice President of the Board of Directors. Since 2002 he has been Director and Vice President of the TENARIS Council. Mr. Vogel began his career within the Bank of America Corporate Banking in Los Angeles, California in 1976, where he became Vice President. In 1979 he joined Banamex also in Corporate Banking and in 1983, as Director, he decided to move to Tamsa as CFO. He has a degree in Business Administration from the National Autonomous University of Mexico (UNAM) and has a M.B.A. by the University of Texas at Austin.

Mr. Joaquín Vargas Guajardo

He has served as Chairman of the Board of Directors of Corporación Mexicana de Restaurantes, S.A.B. of C.V. and previously as Chairman of the Board of Directors of Grupo MVS Comunicaciones, of the National Chamber of the Radio and Television Industry and of the Association of Directors of Restaurant Chains. He has also served as a director of several companies, including Vitro, S.A.B. de C.V., Grupo Posadas, S.A.B. de C.V., Periódico el Universal, Médica Sur, S.A.B. de C.V., Grupo Aeroportuario del Pacífico, S.A.B. of C.V. and Grupo Costamex, among others. From April 1997 to April 2005 and from April 2008 to April 2012 he was a member of the Board of Directors of the BMV. He has a degree in Business Administration from the Monterrey Institute of Technology and Higher Education, and has senior management studies at the Pan American Institute of Senior Business Management.



ANNEX II

Contribution to the Sustainable Development Goals (SDGs) of the United Nations (UN)

The people benefitted in 2020 are divided into the following programs:



SDG 1. No poverty

- Fideicomiso Por los Niños de México
- Donation - Quiera #NoPodemosParar
- Donation - Fundación Quiera
- Volunteering - FPNM Jurado Voluntario
- Volunteering - Tabasco Empleados
- Volunteering - Riesgos Subasta Risk Pro
- Volunteering - Riesgos Risk Pro Ton
- Volunteering - Riesgos Reyes Magos



SDG 2. Zero hunger

- Volunteering - Tuiio Bobashi
- COVID - AMA Despensas Familias Vulnerables
- ATM Fundraising - ALSEA
- Kind Donation - Comidas Casa Hogar y Futuro
- Donation/Volunteering - Canastas UNICEF RRHH
- COVID - Fundación CMR
- Volunteering Tuiio - Adultos Mayores
- Volunteering Tuiio - Tabasco



SDG 3. Good Health and well-being

- ATM Fundraising - Casa de la Amistad
- Donation - Carmen
- Donation- Cruz Roja
- COVID - Fundación Gigante Alimentos Personal Salud
- COVID - Equipo Médico INER
- COVID- Alianza Contagia Solidaridad EPP Personal Salud
- Donation - CENACED/Juntos X México (Tabasco)
- Donation - World Vision Mexico (Tabasco)
- Volunteering virtual - RRHH



SDG 4. Quality Education

- Bécalos and Seed Capital
- Donation - Imaginalco
- Donation - Ser Padres-Proyecto DEI
- Volunteering - Pro Bono Santander-ITAM
- ATM Fundraising - Escuela SER
- ATM Fundraising - Unicef
- Donation - Those Who Inspire Ltd
- Donation - Patrocinio Fundación Albeniz



SDG 5. Gender equality

- Donation - Dalia Women
- Donation - Patrocinio Women on Boards México 2020



SDG 15. Life on Land

- ATM Fundraising - Reforestamos





SDG 17. Partnerships for the goals

- Donation - Consejo de la Comunicación 2020

Responsible Banking Principles Index

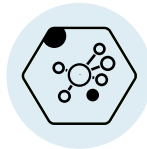
Progress in the implementation of the principles for responsible banking

	PRINCIPLE	PAGE
	<p>Principle 1: Alignment We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.</p>	
	<p>1.1. Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.</p>	20-23
	<p>1.2. Describe how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.</p>	30-33, 42-49, 52-53
	<p>Principle 2: impact and Target Setting on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.</p>	
	<p>2.1. Impact Analysis: Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements: a) Scope: The bank's core business areas, products/services across the main geographies that the bank operates in have been as described under 1.1. have been considered in the scope of the analysis. b) Scale of Exposure: In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies. c) Context & Relevance: Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates. d) Scale and intensity/salience of impact: In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank's activities and provision of products and services. Your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d)) Show that building on this analysis, the bank has • Identified and disclosed its areas of most significant (potential) positive and negative impact • Identified strategic business opportunities in relation to the increase of positive impacts / reduction of negative impacts.</p>	94-239

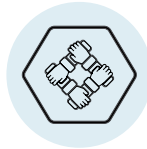
	PRINCIPLE	PAGE
	<p>2.2. Target Setting Show that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets, which address at least two of the identified "areas of most significant impact", resulting from the bank's activities and provision of products and services. Show that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline. Show that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society's goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.</p>	12-15, 44-49
	<p>2.3. Plans for Target Implementation and Monitoring. Show that your bank has defined actions and milestones to meet the set targets. Show that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.</p>	12-15, 44-49
	<p>2.4. Progress on Implementing Targets For each target separately: Show that your bank has implemented the actions it had previously defined to meet the set target. Or explain why actions could not be implemented / needed to be changed and how your bank is adapting its plan to meet its set target. Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (where feasible and appropriate, banks should include quantitative disclosures)</p>	12-15, 44-49
	<p>Principle 3: Clients And Customers We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.</p>	
	<p>3.1. Provide an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.</p>	102-107
	<p>3.2. Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.</p>	102-107

PRINCIPLE

PAGE

**Principle 4: Stakeholders****We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.**

4.1. Describe which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.

34-37,
40-41**Principle 5: Governance and Culture****We will implement our commitment to these Principles through effective governance and a culture of responsible banking**

5.1. Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.

54-71

5.2. Describe the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, among others.

54-71

5.3. Governance Structure for Implementation of the Principles

Show that your bank has a governance structure in place for the implementation of the PRB, including:

- a) target-setting and actions to achieve targets set
- b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected.

54-71

**Principle 6: Transparency and Accountability****We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.**

6.1 Progress on Implementing the Principles for Responsible Banking

Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1-2.4).

Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.

Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on its implementation of these Principles.

12-15,
44-49

GRI Content Index

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**MATERIALITY DISCLOSURES SERVICE**

2021

For the Materiality Disclosures Service, GRI services has revised that the GRI content index is clear, and that the references to the disclosures 102-40 through to 102-49 correspond to the indicated sections of the report.

Content	Page/Direct Response	Omission	Verification
GRI 101: FOUNDATION 2016			
GENERAL DISCLOSURES			
GRI 102: GENERAL DISCLOSURES 2016			
1. Organizational profile			
102-1	Name of the organization	p. 21 Banco Santander México, S.A., Institución de Banca Múltiple, Grupo Financiero Santander México.	✓
102-2	Activities, brands, products, and services	p. 22 No product or service offered by Santander is prohibited. Prohibited activities are contained in the Environmental, Social and Climate Change Risk Management Policy: https://www.santander.com/content/dam/santander-com/es/contenido-paginas/nuestro-compromiso/pol%C3%ADticas/do-politica-de-gestion-de-riesgos-medioambientales-sociales-y-de-cambio-climatico-es.pdf p. 7-8	✓

(102-55)

	Content	Page/Direct Response	Omission	Verification
102-3	Location of headquarters	Corporate Offices located at Avenida Prolongación Paseo de la Reforma 500, Colonia Lomas de Santa Fe, Delegación Álvaro Obregón, C.P. 01219, Mexico City. Global Santander headquarters are found in Madrid, Spain.		✓
102-4	Location of operations	p. 22, 23 All significant operations, investments, recruitment and relevant data contained in this Report refer to Mexico as a region given that global information about Santander's operations around the world is contained in the Report for Spain and on page VIII of this Report.		✓
102-5	Ownership and legal form	p. 61 Banco Santander México, S.A., Institución de Banca Múltiple, Grupo Financiero Santander México.		✓
102-6	Markets served	p. 22-23		✓
102-7	Scale of the organization	p. 23 iii. MXN \$85.698 billion According to what was published in 20F, Santander refers to operations to the total number of employees and offices.		✓
102-8	Information on employees and other workers	p. 111-112 All significant operations, investments, recruitment and relevant data contained in this Report refer to Mexico as a region. Santander does not have any part-time employees. Activities undertaken by workers who are not employees do not represent a significant part of the organization. There was no significant variation in the figures presented in Contents 102-8-a, 102-8-b or 102-8-c. This data was compiled from information extracted from the Human Resources systems.		✓
102-9	Supply chain	p. 199, 201		✓

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	Content	Page/Direct Response	Omission	Verification
102-10	Significant changes to the organization and its supply chain	p.61 Structural changes were made; however, these are not significant because, during 2020, they had no impact on the number of employees, operations, consumption, etc. Furthermore, there were no significant changes to supply chain operations.		✓
102-11	Precautionary Principle or approach	p.205 In order to protect the environment, we apply the precautionary principle through our Environmental Management System in order to avoid any negative environmental impacts as a result of our operations. We also use social and environmental criteria for the financing of projects, employing a responsible, ethical and transparent approach that is underpinned by environmental and social awareness, in addition to preventing environmental damage, as stipulated in our Environmental, Social and Climate Change Risk Management Policy, which came into force in February 2021 and substitutes individual policies for the energy, mining, and metal and soft commodities sectors.		✓
102-12	External initiatives	p. 42, 52-53, 74-77		✓
102-13	Membership of associations	p. 52-53, 74-77		✓
2. Strategy				
102-14	Statement from senior decision-maker	p. 4, 6, 8, 10-11 The verification by PwC focuses on the statements issued by those responsible for the decision-making process, in accordance with 102-14. Figures and data, including the Certified Emission Reduction, were not validated for this content in particular.		✓
102-15	Key impacts, risks, and opportunities	p. 4, 6, 8, 10-11 The verification by PwC focuses on the statements issued by those responsible for the decision-making process, in accordance with 102-15. Figures and data, including the Certified Emission Reduction, were not validated for this content in particular.		✓

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Content	Page/Direct Response	Omission	Verification
3. Ethics and integrity			
102-16	Values, principles, standards, and norms of behavior	p. 27-29, 32-33, 86	✓
102-17	Mechanisms for advice and concerns about ethics	p. 86-87	✓
4. Governance			
102-18	Governance structure	p. 62, 64-71	✓
102-22	Composition of the highest governance body and its committees	p. 64-65, 247-252 Each person's number of significant posts and commitments, the nature of these commitments, and his/her affiliation with underrepresented social groups can be found in Annex I "Profile of the Board of Directors" p. 247-252. Stakeholder representation is through a Lead Independent Director, whose function is to support the Chair and serve as a trusted intermediary with Non-Executive Directors. An independent director must be understood as a person who is not related to the administration of the company, and who meets the requirements and conditions determined by the National Banking and Securities Commission in the general provisions referred to in article 45 K of the Credit Institutions Law, which will also establish the cases under which a director will be deemed to cease to be independent. Executive directors are employees of the company, and are in an executive function (e.g. CEO, CFO, etc).	✓
5. Stakeholder engagement			
102-40	List of stakeholder groups	p. 34 In compliance with the General Sustainability Policy, there are shareholder communication and consultation channels, via the Investor Relations area, whose involvement in the interviews undertaken during the Materiality Study is why it is included with this stakeholder as indirect dialog through area inputs.	✓

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Content	Page/Direct Response	Omission	Verification
102-41	Collective bargaining agreements	p. 111-112 31.9% of our employees a part of a collective bargaining agreement, i.e., they are unionized workers.	✓
102-42	Identifying and selecting stakeholders	p. 34	✓
102-43	Approach to stakeholder engagement	p. 36, 37, 40	✓
102-44	Key topics and concerns raised	p. 40, 244-247	✓
6. Reporting practice			
102-45	Entities included in the consolidated financial statements	p. 61 a. The list of entities that are part of the 20F are: Banco Santander México, S. A. Institución de Banca Múltiple, Grupo Financiero Santander México Santander Consumo, S.A. de C.V., Sociedad Financiera de Objeto Múltiple, Entidad Regulada Santander Inclusión Financiera, S.A. de C.V., Sociedad Financiera de Objeto Múltiple, Entidad Regulada Centro de Capacitación Santander, A.C. Fideicomiso 100740 Banco Santander, S.A. Fideicomiso GFSSLPT, Banco Santander, S.A. Santander Servicios Corporativos, S.A. de C.V. Santander Servicios Especializados, S.A. de C.V. Santander Tecnología México, S.A. de C.V. Fideicomiso Irrevocable F/00361 Openbank Santander México, S.A. de C.V., Sociedad Financiera de Objeto Múltiple, Entidad Regulada b. The subsidiaries that are part of the 20F and that do not appear in the report are: Centro de Capacitación Santander, A.C. Fideicomiso 100740 Banco Santander, S.A. Fideicomiso GFSSLPT, Banco Santander, S.A. Fideicomiso Irrevocable F/00361 Openbank Santander México, S.A. de C.V., Sociedad Financiera de Objeto Múltiple, Entidad Regulada	✓
102-46	Defining report content and topic Boundaries	p. 243	✓
102-47	List of material topics	p. 40, 243-247	✓
102-48	Restatements of information	p. 243	✓
102-49	Changes in reporting	p. 243	✓
102-50	Reporting period	p. 243	✓

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	Content	Page/Direct Response	Omission	Verification
102-51	Date of most recent report	p. 243		✓
102-52	Reporting cycle	Annual.		✓
102-53	Contact point for questions regarding the report	p. 243		✓
102-54	Claims of reporting in accordance with the GRI Standards	p. 243		✓
102-55	GRI content index	p. 257-271		✓
102-56	External assurance	p. 243, 272-275		✓

MATERIAL TOPICS

Customer satisfaction

GRI 103: MANAGEMENT APPROACH 2016

103-1	Explanation of the material topic and its Boundary	p. 244 c. There wasn't any specific limitation regarding the topic Boundary.		✓
103-2	The management approach and its components	p. 140- 157		
103-3	Evaluation of the management approach	p. 140- 157		

Talent attraction and retention

GRI 103: MANAGEMENT APPROACH 2016

103-1	Explanation of the material topic and its Boundary	p. 244 c. There wasn't any specific limitation regarding the topic Boundary.		✓
103-2	The management approach and its components	p. 108-139		
103-3	Evaluation of the management approach	p. 108-139		

GRI 401: EMPLOYMENT 2016

401-1	New employee hires and employee turnover	p. 111-113 The general turnover rate was 12.03%, in those aged under 30 years it was 14.11%; from 31 to 40 years old it was 12.26%; from 41 to 50 years old it was 7.57%; and those aged over 50 years it was 5.60%. Turnover rate: Female employees: 11.24% Male employees: 12.99% The methodology used to calculate the turnover rate is: Annual Turnover = $\sum_{i=1}^n \text{Total of dismissals accumulated in month } i \times \text{HC active 2 half of month } i \times 100$. All significant operations, investments, recruitment and relevant data contained in this Report refer to Mexico as a region.		✓
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	Content	Page/Direct Response	Omission	Verification
Cybersecurity				
GRI 103: MANAGEMENT APPROACH 2016				
103-1	Explanation of the material topic and its Boundary	p. 245 c. There wasn't any specific limitation regarding the topic Boundary.		✓
103-2	The management approach and its components	p. 150-152		
103-3	Evaluation of the management approach	p. 150-152		

GRI 418: CUSTOMER PRIVACY 2016

418-1	Substantiated complaints regarding violations of customer privacy and loss of customer data	19,576 complaints relating to the Personal Data Principle of Consumer Protection, mostly relating to issues involving theft and phishing. Resolution: the majority of cases were ruled in favor of the Bank once the corresponding investigations had been undertaken, identifying that it was the Customer who provided their information to the scammers. Resolution Timeframe: An average of 25 days, within legal limits. No substantiated complaints regarding the organization made by regulatory bodies were identified, nor were any leaks, thefts or losses of customer data.		
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Business ethics

GRI 103: MANAGEMENT APPROACH 2016

103-1	Explanation of the material topic and its Boundary	p. 245 c. There wasn't any specific limitation regarding the topic Boundary.		✓
103-2	The management approach and its components	p. 84-93		
103-3	Evaluation of the management approach	p. 84-93		

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Content	Page/Direct Response	Omission	Verification	
GRI 205: ANTI-CORRUPTION 2016				
205-2	Communication and training about anti-corruption policies and procedures	p. 89 b and e: We informed and trained 93.28% of our employees on our policies and procedures to help tackle corruption, that means: 19,761 employees, of which, in the directors category: 597 (3.02%) were men and 212 (1.07%) women; deputy directors: 1,196 (6.05%) men and 901 (4.56%) women; managers: 2,730 (13.82%) men and 2,523 (12.77%) women; administrative and operational staff: 4,294 (21.73%) men and 7,308 (36.98%) women. All significant operations, investments, contracts and relevant data in this report refer to Mexico as a region. The organization's anti-corruption policies and procedures have not been communicated to any other person or organization. Informed employees are those who have received information on anti-corruption policies and procedures, and trained employees are those who have completed the training course.	c. Information unavailable: the total number and percentage of commercial partners to whom the organization's anti-corruption procedures and policies were communicated is not available as the Bank is currently consolidating its response to this content for future reports.	✓
Support for entrepreneurship				
GRI 103: MANAGEMENT APPROACH 2016				
103-1	Explanation of the material topic and its Boundary	p. 246 c. There wasn't any specific limitation regarding the topic Boundary.	✓	
103-2	The management approach and its components	p. 170-184		
103-3	Evaluation of the management approach	p. 170-184		

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Content	Page/Direct Response	Omission	Verification
Diversity and inclusion			
GRI 103: MANAGEMENT APPROACH 2016			
103-1	Explanation of the material topic and its Boundary	p. 245 c. There wasn't any specific limitation regarding the topic Boundary.	✓
103-2	The management approach and its components	p. 104-107, 122-127	
103-3	Evaluation of the management approach	p. 104-107, 122-127	
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016			
405-1	Diversity of governance bodies and employees	p.64-65, 111-112 Three of our Directors (15%) are between the ages of 30 and 50, while the rest (85%) are above the age of 50. Of the total number of directors, 20% are women and 80% are men.	a. iii and b. iii: Other diversity indicators do not apply to governing bodies or for employees. ✓
Digitalization			
GRI 103: MANAGEMENT APPROACH 2016			
103-1	Explanation of the material topic and its Boundary	p. 244 c. There wasn't any specific limitation regarding the topic Boundary.	✓
103-2	The management approach and its components	p. 158-163	
103-3	Evaluation of the management approach	p. 158-163	

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Content	Page/Direct Response	Omission	Verification
Sustainable financing			
GRI 103: MANAGEMENT APPROACH 2016			
103-1	Explanation of the material topic and its Boundary	p. 247 c. There wasn't any specific limitation regarding the topic Boundary.	✓
103-2	The management approach and its components	p. 185-187	
103-3	Evaluation of the management approach	p. 185-187	
FINANCIAL SERVICES SECTOR DISCLOSURE 2013 G4 ASPECT: PRODUCT PORTFOLIO			
FS1	Policies with specific environmental and social components applied to business lines	p. 205	
Risk Culture			
GRI 103: MANAGEMENT APPROACH 2016			
103-1	Explanation of the material topic and its Boundary	p. 245 c. There wasn't any specific limitation regarding the topic Boundary.	✓
103-2	The management approach and its components	p. 78-83	
103-3	Evaluation of the management approach	p. 78-83	
FINANCIAL SERVICES SECTOR DISCLOSURE 2013 G4 ASPECT: PRODUCT PORTFOLIO			
FS2	Procedures to assess and detect environmental and social risks in business lines	p. 80-83	

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Content	Page/Direct Response	Omission	Verification
Corporate governance			
GRI 103: MANAGEMENT APPROACH 2016			
103-1	Explanation of the material topic and its Boundary	p. 246 c. There wasn't any specific limitation regarding the topic Boundary.	✓
103-2	The management approach and its components	p. 58-93	
103-3	Evaluation of the management approach	p. 58-93	
Environmental footprint			
GRI 103: MANAGEMENT APPROACH 2016			
103-1	Explanation of the material topic and its Boundary	p. 246 c. There wasn't any specific limitation regarding the topic Boundary.	✓
103-2	The management approach and its components	p. 188-205	
103-3	Evaluation of the management approach	p. 188-205	
GRI 301: MATERIALS 2016			
301-1	Materials used by weight or volume	p. 196	a. ii is not applicable because we do not use renewable materials. ✓

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Content	Page/Direct Response	Omission	Verification
GRI 302: ENERGY 2016			
302-1 Energy consumption within the organization	p. 192-193 b. We do not use renewable fuels within the organization. c. We do not use heating or steam. d. At Santander, we do not sell electricity, healthy, refrigeration or steam.	c. iii cooling consumption does not apply since those responsible for reporting the CyGEI from the consumption of air conditioners and the use of refrigerants will be the companies that carry out the loading or maintenance thereof, applying the methodology established in the Agreement that establishes the technical characteristics and formulas for the application of methodologies. for the calculation of emissions and CyGEI. (See document RENE National Emissions Registry User Guide, page 50 https://www.semarnat.gob.mx/sites/default/files/documentos/cicc/20160623_guia_rene.pdf) This was established to avoid duplication of data reported in the RENE. Therefore, Santander Mexico recharging and maintenance of the air conditioning is carried out by contractor companies, we are not subject to reporting these consumptions.	✓
GRI 303: WATER AND EFFLUENTS 2018			
303-1 Interactions with water as a shared resource	p.194 b. Our Environmental Policy establishes the guidelines to monitor water consumption and verify trends. Based on this monitoring, we implement actions that allow us to regulate and reduce its consumption within an optimal margin without a specific reduction target established globally.		✓
303-2 Management of water discharge-related impacts	p.194		
303-5 Water consumption	p.196		

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Content	Page/Direct Response	Omission	Verification
GRI 305: EMISSIONS 2016			
305-1 Direct (Scope 1) GHG Emissions	p. 191-192 c. We do not have any biogenic CO ₂ emissions. iii. There were no significant changes in emissions that would require new emission calculations for the base year. f. The consolidation approach used for emissions is operation control, which is why it is not affected by comparisons to the figures reported last year. The immediately preceding year (2019) is considered as the base year for the consumption of all contents.	a. and b. does not include fugitive emissions from refrigerants in air conditioners, that is, it is not applicable since those responsible for reporting the CyGEI from the consumption of air conditioners and the use of refrigerants will be the companies that carry out the loading or maintenance thereof, applying the methodology established in the Agreement that establishes the technical characteristics and formulas for the application of methodologies. for the calculation of emissions and CyGEI. (See document RENE National Emissions Registry User Guide, page 50 https://www.semarnat.gob.mx/sites/default/files/documentos/cicc/20160623_guia_rene.pdf) This was established to avoid duplication of data reported in the RENE. Therefore, Santander Mexico recharging and maintenance of the air conditioning is carried out by contractor companies, we are not subject to reporting these consumptions.	✓
305-2 Energy indirect (Scope 2) GHG Emissions	p. 191-192 a. The electric power factor published by the CRE is applied. b. N/A due to lack of availability of supplier information. iii. There were no significant changes in emissions that would require new emission calculations for the base year. f. The consolidation approach used for emissions is operation control, which is why it is not affected by comparisons to the figures reported last year. The immediately preceding year (2019) is considered as the base year for the consumption of all contents.		✓
GRI 306: EFFLUENTS AND WASTE 2016			
306-2 Waste by type and disposal method	p. 197		

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Content	Page/Direct Response	Omission	Verification
Financial inclusion			
GRI 103: MANAGEMENT APPROACH 2016			
103-1	Explanation of the material topic and its Boundary	p. 244 c. There wasn't any specific limitation regarding the topic Boundary.	✓
103-2	The management approach and its components	p. 170-184	
103-3	Evaluation of the management approach	p. 170-184	
FINANCIAL SERVICES SECTOR DISCLOSURE 2013 G4 ASPECT: LOCAL COMMUNITIES			
FS13	Access points in low-populated or economically disadvantaged areas by type	p. 179 Branches are opened in the regions based on the analysis of socioeconomic status determined by the AMAI. Out of a total of 85 access points (83 branches and 2 kiosks) in sparsely populated or economically disadvantaged areas, the percentage increase in access points was 2.4% during the reporting period. 100% of Tuiio branches and kiosks are available in low-population areas or in economically disadvantaged areas. All significant operations, investments, contracts and relevant data in this report refer to Mexico as a region.	✓
FINANCIAL SERVICES SECTOR DISCLOSURE 2013 G4 ASPECT: PRODUCT AND SERVICE LABELING			
FS16	Initiatives to enhance financial literacy by type of beneficiary	p.183-184	✓
Community investment			
GRI 103: MANAGEMENT APPROACH 2016			
103-1	Explanation of the material topic and its Boundary	p. 246 c. There wasn't any specific limitation regarding the topic Boundary.	✓
103-2	The management approach and its components	p. 222-239	
103-3	Evaluation of the management approach	p. 222-239	
Sustainable procurement			
GRI 103: MANAGEMENT APPROACH 2016			
103-1	Explanation of the material topic and its Boundary	p. 247 c. There wasn't any specific limitation regarding the topic Boundary.	
103-2	The management approach and its components	p. 199-200	
103-3	Evaluation of the management approach	p. 199-200	

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Content	Page/Direct Response	Omission	Verification
GRI 412: HUMAN RIGHTS ASSESSMENT 2016			
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	p. 199 We have 519 major suppliers with contracts with Human Rights clauses. Agreements and contracts representing significant investment within the supply chain are the Bank's strategic suppliers (formalized by Aquanima).	✓
Occupational health and wellness			
GRI 103: MANAGEMENT APPROACH 2016			
103-1	Explanation of the material topic and its Boundary	p. 245 c. There wasn't any specific limitation regarding the topic Boundary.	✓
103-2	The management approach and its components	p. 128-139	
103-3	Evaluation of the management approach	p. 128-139	
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018			
403-1	Occupational health and safety management system	p. 131, 134	
403-2	Hazard identification, risk assessment, and incident investigation	p. 134	
403-3	Occupational health services	p. 131	
403-4	Worker participation, consultation, and communication on occupational health and safety	p. 133	
403-5	Worker training on occupational health and safety	p. 134-136	
403-6	Promotion of worker health	p. 131, 133	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p. 131-132, 134-135 The verification work was carried out on the GRI requirements for this content, no figures were validated or additional work was carried out for the other contents included in that page.	✓
403-8	Workers covered by an occupational health and safety management system	Information not available. Responses for this content are being consolidated for future reports.	

Verification letter

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This version of our limited assurance report was carried out based on the Spanish version of the Responsible Banking Report. This is a translation from the original in Spanish, in the event of a discrepancy in this version, the Spanish language version prevails.

Independent practitioner's limited assurance report on the 2020 Sustainability Indicators identified in the Responsible Banking Report 2020 of Banco Santander México, S.A, Institución de Banca Múltiple, Grupo Financiero Santander México

To the Directors of Banco Santander México

We have undertaken a limited assurance engagement in respect of the sustainability indicators listed below and identified with a ✓ in the "GRI Content Index" of the Responsible Banking Report 2020 (the "Sustainability Indicators"), which were prepared by Banco Santander México, S. A., Institución de Banca Múltiple, Grupo Financiero Santander México ("Banco Santander") for the year ended December 31st 2020, in accordance with the GRI Standards and the Financial Services Sector Supplement: Core Option.

Sustainability Indicators

The sustainability indicators for the year ended December 31, 2020 are summarized below:

102-1	Name of the organization
102-2	Activities, brands, products, and services
102-3	Location of headquarters
102-4	Location of operations
102-5	Ownership and legal form
102-6	Markets served
102-7	Scale of the organization
102-8	Information on employees and other workers
102-9	Supply chain
102-10	Significant changes to the organization and its supply chain
102-11	Precautionary Principle or approach
102-12	External initiatives
102-13	Membership of associations
102-14	Statement from senior decision-maker
102-15	Key impacts, risks, and opportunities
102-16	Values, principles, standards, and norms of behavior
102-17	Mechanisms for advice and concerns about ethics
102-18	Governance structure



102-22	Composition of the highest governance body and its committees
102-40	List of stakeholder groups
102-41	Collective bargaining agreements
102-42	Identifying and selecting stakeholders
102-43	Approach to stakeholder engagement
102-44	Key topics and concerns raised
102-45	Entities included in the consolidated financial statements
102-46	Defining report content and topic Boundaries
102-47	List of material topics
102-48	Restatements of information
102-49	Changes in reporting
102-50	Reporting period
102-51	Date of most recent report
102-52	Reporting cycle
102-53	Contact point for questions regarding the report
102-54	Claims of reporting in accordance with the GRI Standards
102-55	GRI content index
102-56	External assurance
103-1	Explanation of the material topic and its Boundary
205-2	Communication and training about anti-corruption policies and procedures
301-1	Materials used by weight or volume
302-1	Energy consumption within the organization
303-1	Interactions with water as a shared resource
305-1	Direct (Scope 1) GHG emissions
305-2	Energy indirect (Scope 2) GHG emissions
401-1	New employee hires and employee turnover
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
405-1	Diversity of governance bodies and employees
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening

(102-56)

(102-56)



Financial Services Sector Supplement	
FS13	Access points in low-populated or economically disadvantaged areas by type
FS16	Initiatives to enhance financial literacy by type of beneficiary

Our assurance was with respect to the Sustainability Indicators for the year ended December 31, 2020 only and we have not performed any procedures with respect to earlier periods or any other indicators or elements included in the Responsible Banking Report 2020 and, therefore, do not express any conclusion thereon.

Criteria

The criteria used by Banco Santander to prepare the identified Sustainability Indicators are the GRI Standards and the Financial Services Sector Supplement: Core Option (the "Criteria") and are set out in the section "GRI Content Index" on page 257 of the Responsible Banking Report 2020.

Banco Santander's Responsibility on the Sustainability Indicators

Banco Santander is responsible for the preparation of the identified Sustainability Indicators in accordance with the Criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of identified Sustainability Indicators that are free from material misstatement, whether due to fraud or error.

Our Independence and Quality Control

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

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the identified Sustainability Indicators in accordance with the Criteria, based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement 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 of

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the International Federation Information of Accountants. These standards require that we plan and perform this engagement to obtain limited assurance about whether the identified Sustainability Indicators are free from material misstatement.

A limited assurance engagement involves assessing the suitability in the circumstances of Banco Santander's use of the Criteria as the basis for the preparation of the identified Sustainability Indicators, assessing the risks of material misstatement whether due to fraud or error of the identified Sustainability Indicators, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the identified Sustainability Indicators. 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 judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

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 identified Sustainability Indicators have been prepared, in all material respects, in accordance with the Criteria.

Limited Assurance 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 Banco Santander's identified Sustainability Indicators for the year ended December 31, 2020 is not prepared, in all material respects, in accordance with the Criteria.¹

PricewaterhouseCoopers, S.C.

José Vicente Guendulain

Mexico City, Mexico

April 23, 2021

¹ The maintenance and integrity of the website of Banco Santander México, S. A., Institución de Banca Múltiple, Banco Santander México is responsibility of the directors. Our work does not involve consideration of these matters and, accordingly, we do not accept responsibility for any differences between the Sustainability Indicators of Banco Santander on which the report was issued or the assurance report that was issued and the information presented on the website.

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