



SUSTAINABLE FINANCE AND INVESTMENT CLASSIFICATION SYSTEM (SFICS)

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1. Approach

Banco Santander’s (“Santander”) purpose is to help people and businesses prosper. It is focused on promoting inclusive and sustainable growth and aiding the transition to a low-carbon economy. To support the goals of the Paris Agreement on climate change, Santander has pledged to become net zero in carbon emissions across the group by 2050; this objective applies to group-wide operations and to customers’ emissions stemming from Santander’s lending, advisory or investment services. Santander is also a founding member of the Net Zero Banking Alliance (NZBA), convened by the United Nations Environment Programme Finance Initiative (UNEPFI), and Net Zero Asset Managers Initiative, both in connection with the Glasgow Financial Alliance for Net Zero (GFANZ).

We set our green finance target to aid our customers’ transition to a green economy. We aim to raise or facilitate EUR 120bn between 2019 and 2025, and EUR 220bn between 2019 and 2030 and to manage 100bn Socially Responsible Investment AuM. Santander has also the intention to play a major role in promoting inclusive growth that meets customers’ social needs by promoting financial empowerment and financing affordable housing, healthcare services and education, among others.

Santander’s operations, financing and investments address many of the United Nations’ Sustainable Development Goals (SDG) and are considerate of social and environmental risks and rewards, helping sustain the balance between the economy and society.

2. Introduction

Santander’s Sustainable Finance and Investment Classification System (“SFICS”) lays down the criteria for categorizing sustainable financial and investment products and services, and specifically how the group defines Green, Social, Sustainability and Sustainable Finance. It provides the scope, criteria, environmental and social due diligence requirements, and verification approach that serve as a reference for creating sustainable finance products and services for customers.

The SFICS draws upon international industry and official guidelines and principles, such as ICMA’s¹ Social and Green Bond Principles, the Climate Bond Standards and the [EU Taxonomy](#). The SFICS derives from criteria established in 2022 from the previous Sustainable Finance Classification System and Transition Finance Classification System, and the Socially Responsible Investment criteria.

The SFICS is positioned as a methodological guide in the Santander normative tree, having flexibility to evolve as required by the market and regulatory context, and it should be referenced in other normative documents.

¹ International Capital Market Association

3. Scope

The SFICS is the reference for (but it is not limited to) the following financial products, investments and services offered by Santander:

- Lending (e.g., corporate loans, project finance, asset-based retail and consumer credit)
- Transaction banking (e.g. export finance, supply chain finance, guarantees)
- Certain Global Markets products (e.g. derivatives)
- Debt Capital Market products
- Merger & Acquisition and Equity Capital Market products
- Investment and liquidity solutions and products
- Protection products

It applies to all Grupo Santander's business units and geographies².

4. Parameters

The financial instruments, products and services considered within the SFICS are defined as follows:

Dedicated-purpose transactions (use of proceeds):

1. Dedicated-purpose financial instruments, products and services where we can guarantee that 100% or a specific portion of proceeds are intended for activities and projects that meet the green and/or social criteria of the SFICS (see Appendix).
2. For financial instruments, products and services that finance:
 - A. Only green activities, these will be known as Environmental Finance
 - B. Only social activities, these will be known as Social Finance
 - C. A combination of green and social activities, these will be known as Sustainability Finance Collectively these will be known as Sustainable Finance
3. Green, social and sustainability instruments if they adhere to Loan Market Association's Green Loan Principles or Social Loan Principles. Other principles such as [International Capital Market Association Principles](#) or other relevant market based principles can be considered with further analysis and internal favorable opinion from relevant forums. The existence of a second-party opinion ("SPO") by a reputable external SPO provider will be considered favorably.
4. Financial instruments, products and services that finance entities deriving at least 90% of their revenues from SFICS-aligned activities will be considered under this Classification System.

The implementation of these criteria will be progressively established as long as information availability and processes are adapted accordingly, all of which we aspire to implement progressively across the Group in the near future.

Sustainability-linked transactions³:

Sustainability-linked financing considered, which is covered in the Appendix C

² Santander Asset Management ("SAM") currently offers sustainable and responsible investment ("SRI"). SRI is an investment approach based on an internal methodology that analyses and selects investments based on ESG criteria to enhance risk management and generate sustainable returns for investors while benefiting society. The SFICS covers green and social SAM products with a known use of proceeds and clear purpose as one or more of the green or social activities within this SFICS.

³ Sustainalytics notes that given the range of variables and benchmarking involved in such issuances the applicability, strength and ambitiousness of these variables should be evaluated on a case-by-case basis.

5. List of sectors and covered activities

The below table outlines the sectors and business activities that aid environmental sustainability and that are therefore considered as Green Finance if they conform to the criteria provided in the Appendix.

Key Environmental Finance category	Summarized sub-sectors	Main contribution to SDGs
Energy	<ul style="list-style-type: none"> Renewable energy Hydrogen and bioenergy Energy storage, transmission and distribution Nuclear power 	  
Transport	<ul style="list-style-type: none"> Land transport Water transport Air transport Transport infrastructure 	 
Information and Communication	<ul style="list-style-type: none"> Solutions that help reduce GHG emissions or contribute to other environmental objectives Solutions that help save electricity 	 
Agriculture, forestry and livestock	<ul style="list-style-type: none"> Forest management Land conservation and restoration Sustainable agriculture, animal husbandry and fishery 	  
Construction and Real estate	<ul style="list-style-type: none"> Construction, acquisition, and renovation of buildings Energy efficiency equipment in buildings Construction and maintenance of other structures 	  
Water and waste management	<ul style="list-style-type: none"> Waste management and remediation activities Sustainable water supply and sewage Reparation activities 	  
Manufacturing and Services	<ul style="list-style-type: none"> Manufacturing of technologies and components Manufacturing of energy efficiency equipment Services to support the transition to circular economy 	
Other	<ul style="list-style-type: none"> Climate change adaptation Carbon markets Insurance 	

The below table outlines the sectors and business activities that address or mitigate social issues and seek positive social outcomes. These activities can be considered Social Finance if they conform to the criteria and are expressly aimed at the relevant “Target population” provided in the Appendix.

Sector - social category	Business Activities	Main contribution to SDGs	
Education	<ul style="list-style-type: none"> Educational services Sports and cultural education centres Other educational activities Student loans Loans to finance reskilling and upskilling 		
Healthcare	<ul style="list-style-type: none"> Building of healthcare facilities Health services Research and development (R&D), pharmaceutical and medical manufacturing 		
Transport	<ul style="list-style-type: none"> Transport infrastructure construction Improvement of transport infrastructures for people with disabilities 		
Energy	<ul style="list-style-type: none"> Clean energy projects, distribution lines and related buildings 		
Water and waste management	<ul style="list-style-type: none"> Construction of infrastructure for water, sewage, and waste collection, treatment and distribution 		
Real estate	<ul style="list-style-type: none"> Affordable housing Associated infrastructure 		
Finance and Insurance	<ul style="list-style-type: none"> Lending to SMEs and entrepreneurs (including microfinance) Lending to individuals from target population 		
IT and communications	<ul style="list-style-type: none"> Development of telecommunications, distribution lines, related buildings and infrastructures 		
Financing for non-profit organizations	<ul style="list-style-type: none"> Lending to non-profit organizations and charities that meet Banco Santander’s guidelines and advance the green and social themes 		
Special employment centres	<ul style="list-style-type: none"> Special Employment Centres (CEE in Spanish) are companies whose main objective is to provide workers with disabilities with productive and remunerated work appropriate to their personal characteristics and to facilitate their integration into the labor market. Special Employment Centres must count on their workforce with more than 50% of their employees with a recognized disability. 		

6. Environmental and social due diligence

To ensure that a Sustainable Finance transaction will not cause major environmental or social damage, we will conduct environmental and social due diligence if it is subject to the Equator Principles or the Environmental, Social & Climate Change (ESCC) risk management policy and/or if any concern was detected.

Assessment of the EU Taxonomy aligned flag (in addition to other minimum environmental and social due diligence as per paragraph above introducing this section):

According to article 3 of the Taxonomy Regulation, there are 3 conditions that an economic activity must meet to be flagged as taxonomy aligned (“SFICS Consistent – EU Taxo aligned”):

1. Making a substantial contribution to at least one environmental objective. In this sense, each transaction has to comply with the respective “EU Taxonomy consistent” technical criteria detailed per type of activity in “Appendix A. Environmental Finance” of this document.
2. Doing no significant harm (DNSH) to any of the other five environmental objectives. See section “DNSH flag” of this document.
3. Complying with minimum social safeguards (MSS). See section “MSS flag” of this document.

• DNSH flag:

To comply with the DNSH requirements, the Group has internally defined the following criteria covering the most significant portfolios. These criteria shall be followed in the consolidated report. In the case other local criteria are defined, please contact in advance HQ teams (Responsible Banking, Risk, ESG reporting) to ensure an orderly process:

1. Retail transactions⁴:

- a) **Mortgage portfolio⁵:** The criteria to comply with DNSH requirements is based on EU Taxonomy activity 7.7 Acquisition and ownership of buildings under climate change mitigation objective (Annex A).

Criteria: Residential real estates located in areas highly impacted by physical risks will not comply with the EU Taxonomy requirements and will not be included in regulatory reports.

The definition of high physical risk areas is based on the information provided by an external provider (MunichRe), information also used in other processes within the bank (Pillar 3 ESG report, climate materiality assessment, etc.). See below the methodology description:

- Physical guiding principles

Munich Re NATHAN and Climate risk editions enable lending institutions to assess their exposure to 19 stresses⁶ (12 acute & 7 chronic stresses), over 3 climate scenarios consistent IPCC and for various time horizon (current climate, 2030, 2040, 2050 and 2100). This is done by using Hazard scores which are provided on a scale from 1 to 5 and can be interpreted as follow:

⁴ Assessment performed under the Climate Change Mitigation objective, identified as the most relevant.

⁵ If a mortgage is granted to a local government, the criteria described here may be applied.

Score	None
1	No/Very Low Exposure
2	Low Exposure
3	Medium Exposure
4	High Exposure
5	Very High Exposure

- Calibration of sectorial vulnerability

As the impact of natural hazards can vary greatly depending on the nature of the underlying assets, Munich Re has developed adjustment factors for a large range of exposure for both residential and corporate exposure.

For residential exposure, Munich Re risk scores measures the impact natural hazards can have on real assets, assuming standardized building characteristics and have been calibrated based on historical loss information collected over the years through Munich Re core business of reinsuring physical assets against natural disasters.

For corporate exposure, Munich Re has developed a set of adjustment factors based in UNEP-FI methodology which leverages 8 vulnerability indicators. These factors are specific for each individual natural hazard available in Munich Re NATHAN and Climate risk editions and are available by economic sectors following NACE classification. In total, adjustment factors are available for all NACE code sectors. These adjustment factors have been calibrated leveraging historical loss information as well as sectorial expertise from Munich Re internal Risk Managers and Underwriters.

- Interpretation of outcomes:

Munich Re provides lending institutions with risk scores for all relevant natural hazards impacting any geographical area around the globe which are specific to the economic sector where the financed asset operates. These scores can therefore be directly applied to banks' exposure, measured for instance using gross carrying amount.

For the purpose of complying DNSH requirements in mortgage portfolio Munich Re recommends classifying lending exposure as being at-risk from physical climate risk where the underlying activity is scored as 4 or above for at least one hazard (acute or chronic).

- Methodology

Scenario: The scenario that has been used is RCP 4.5, which is deemed appropriate as it serves as a middle ground between the scenario that achieve the Paris Agreement target (RCP 2.6) and a scenario more typical of stress exercise (RCP 8.5).

Time horizon: the chosen time horizons have been deemed consistent with the average portfolio maturities. As such, for unsecured exposures, a time horizon of 2030 has been taken into account, covering the average maturity of these portfolios. Moreover, for secured portfolios, a time horizon of 2050 has been taken into account.

Countries: physical risk information is available for the following countries⁷:

Spain

Portugal

⁷ For the geographies for which the information is not provided, it will be assumed that it does not have physical risk.

Poland
France
Germany
UK
Norway
US
Brazil
Chile
Mexico
Uruguay
Argentina
Colombia
Peru

Granularity: For secured portfolios, physical risk information has been assessed at postal code/NUTs3/region level.

- b) **Auto portfolio⁸:** Based on EU Taxonomy activity 6.5 Transport by motorbikes, passenger cars and light commercial vehicles, the following criteria has been defined to comply with DNSH requirements under the climate change mitigation objective.

The reasonability of the criteria is based on European Directives, therefor all autos sold in Continental Europe comply with the DNSH requirements established in the EU Taxonomy. Autos sold outside this region cannot be flagged as “DNSH OK”.

The approaches to comply are defined per climate objective according to the EU Taxonomy:

- **Climate change adaptation (Annex 1 EU Taxonomy):** criteria presented in ‘Appendix A: Generic Criteria for DNSH to Climate Change Adaptation ([link](#))’

Proposal: Auto portfolio should not be assessed from a physical risk point of view, cars are in continuous movement and risks will change on a daily basis depending where the car is.

- **Circular economy:**

Vehicles of categories M1 and N1 are both of the following:

- I. reusable or recyclable to a minimum of 85% by weight;
- II. reusable or recoverable to a minimum of 95% by weight²³⁷.

Measures are in place to manage waste both in the use phase (maintenance) and the end-of-life of the fleet, including through reuse and recycling of batteries and electronics (in particular critical raw materials therein), in accordance with the waste hierarchy.

Proposal: According with the Directive 2005/64/EC of the European Parliament and of the Council of 26 October 2005 on the type-approval of motor vehicles with regard to their reusability, recyclability and recoverability and amending Council Directive 70/156/EEC, car manufacturers have to comply with a minimum percentages of reusability, recyclability and recoverability when manufacturing cars and sell them in the EU:

“...appropriate provisions should be laid down to ensure that type-approved vehicles belonging to category M1, and those belonging to category N1, may be put on the market only if they are reusable and/or

⁸ If an auto loan is granted to a local government, the criteria described here may be applied.

recyclable to a minimum of 85 % by mass and are reusable and/or recoverable to a minimum of 95 % by mass”

We understand that car manufacturers comply the EU law when manufacturing and selling cars in Europe, so DNSH requirements of this objective are covered.

- Pollution prevention:

- I. Vehicles comply with the requirements of the most recent applicable stage of the Euro 6 light-duty emission type-approval²³⁸ set out in accordance with Regulation (EC) No. 715/2007.

Proposal: Regulation 715/2007 describes the EU requirements on type approval of motor vehicles with respect to emissions from light passenger and commercial vehicles (Euro 5 and Euro 6) and on access to vehicle repair and maintenance information.

According to article 4, “*Manufacturers shall demonstrate that all new vehicles sold, registered or put into service in the Community are type approved in accordance with this Regulation and its implementing measures. Manufacturers shall also demonstrate that all new replacement pollution control devices requiring type approval which are sold or put into service in the Community are type approved in accordance with this Regulation and its implementing measures.*

Therefore, we understand that car manufacturers comply this Regulation when manufacturing and selling cars in Europe, so DNSH requirements of this objective are covered.

- II. Vehicles comply with the emission thresholds for clean light-duty vehicles set out in Table 2 of the Annex to Directive 2009/33/EC(*) of the European Parliament and of the Council²³⁹.

Proposal: The emission thresholds for clean light-duty vehicles set out in Table 2 of the Annex in the Directive previously mentioned are aligned with those included in the technical criteria included in “Appendix A. Environmental Finance” of this document and when complying with Regulation 715/2007 (EURO 6).

DIRECTIVE (EU) 2019/1161 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 20 June 2019 amending Directive 2009/33/EC on the promotion of clean and energy-efficient road transport vehicles:

Table 2: Emission thresholds for clean light-duty vehicles

Vehicle categories	Until 31 December 2025		From 1 January 2026	
	CO ₂ g/km	RDE air pollutant emissions ^(l) as a percentage of emission limits ^(l)	CO ₂ g/km	RDE air pollutant emissions ^(l) as a percentage of emission limits ^(l)
M ₁	50	80 %	0	n.a.
M ₂	50	80 %	0	n.a.
N ₁	50	80 %	0	n.a.

(l) Declared maximum real-driving emission (RDE) values of particles number (PN) in #/km and nitrogen oxides (NOx) in mg/km as reported in point 48.2 of the certificate of conformity, as described in Annex IX to Directive 2007/46/EC of the European Parliament and of the Council^(*) for both complete and urban RDE trips.

(*) The applicable emission limits laid down in Annex I to Regulation (EC) No 715/2007, or its successors.

(*) Directive 2007/46/EC of the European Parliament and of the Council of 5 September 2007 establishing a framework for the approval of motor vehicles and their trailers, and of systems, components and separate technical units intended for such vehicles (Framework Directive) (OJ L 263, 9.10.2007, p. 1).

- III. For road vehicles of categories M and N, tyres comply with external rolling noise requirements in the highest populated class and with Rolling Resistance Coefficient (influencing the vehicle energy

efficiency) in the two highest populated classes as set out in Regulation (EU) 2020/740 (**) and as can be verified from the European Product Registry for Energy Labelling (EPREL).

To comply with the previous requirement, we divide the analysis between the requirements related to rolling noise and those related to the resistance coefficient of the tires. In both cases, as indicated in the Taxonomy and the FAQs in this regard, or assessment is based on the Regulation mentioned, as well as from the market information extracted from the EPREL.
[\(<https://eprel.ec.europa.eu/screen/product/tyres>\)](https://eprel.ec.europa.eu/screen/product/tyres).

Proposals:

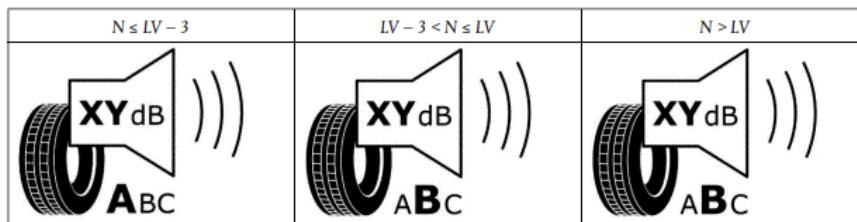
REGULATION (EU) 2020/740 on the labelling of tyres with respect to fuel efficiency and other parameters

Distribution of the selected 180 096 models out of a total of 180 017 models

Fuel efficiency class			Wet grip class			External rolling noise class		
Class	Entries	%	Class	Entries	%	Class	Entries	%
A	3 069	1,7	A	18 079	10,0	A	16 500	9,2
B	11 693	6,5	B	61 747	34,3	B	162 922	90,5
C	74 020	41,1	C	74 819	41,5	C	674	0,4
D	82 754	45,9	D	21 614	12,0			
E	8 560	4,8	E	3 837	2,1			

- **Rolling noise:** The taxonomy indicates that the most populated tyre in the market must meet the external rolling noise requirements indicated in Regulation 2020/740. See below the accepted tyre classes:

The external rolling noise class shall be determined and illustrated on the tyre label on the basis of the limit values (LV) set out in Part C of Annex II to Regulation (EC) No 661/2009 as follows:



According to market information (EPREL), 90.5% of the tyres sold in Europe (label B) meet the requirements since they have a label B (see EPREL table above). An Additional 9% of the tyres sold in the market have a better rolling noise performance than the aforementioned most populated class, therefore we can conclude that 99.7% of the tyres on the market meet the minimum DNSH requirements included in the Taxonomy.

- **Rolling Resistance Coefficient:** According to the EU Taxonomy, the two types of tyres most present on the market must comply with the requirements of the Regulation (EU) 2020/740. According to this, see below the classes and quantitative limits contemplated:

	C1 tyres	C2 tyres	C3 tyres
Fuel efficiency class	RRC in N/kN	RRC in N/kN	RRC in N/kN
A	$RRC \leq 6,5$	$RRC \leq 5,5$	$RRC \leq 4,0$
B	$6,6 \leq RRC \leq 7,7$	$5,6 \leq RRC \leq 6,7$	$4,1 \leq RRC \leq 5,0$
C	$7,8 \leq RRC \leq 9,0$	$6,8 \leq RRC \leq 8,0$	$5,1 \leq RRC \leq 6,0$
D	$9,1 \leq RRC \leq 10,5$	$8,1 \leq RRC \leq 9,0$	$6,1 \leq RRC \leq 7,0$
E	$RRC \geq 10,6$	$RRC \geq 9,1$	$RRC \geq 7,1$

IV. Vehicles comply with Regulation (EU) No 540/2014 of the European Parliament and of the Council²⁴⁰.

Proposal: Regulation related to the sound level of motor vehicles and of replacement silencing systems.

"This Regulation establishes the administrative and technical requirements for the EU type-approval of all new vehicles of the categories referred to in Article 2 with regard to their sound level, and of replacement silencing systems and components thereof type-approved as separate technical units designed and constructed for vehicles of categories M1 and N1 with a view to facilitating their registration, sale and entry into service within the Union."

<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0540>

Therefore, we understand that car manufacturers comply this Regulation when manufacturing and selling cars in Europe, so DNSH requirements of this objective are covered.

2. **Specific purpose transaction with CSRD clients / sponsor:** To comply with DNSH requirements per activity and climate objective, the assessment must be based on the EU Taxonomy requirements supported by client's audited taxonomy reports/documents and/or independent third-party data.

- **MSS flag:**

To comply with the MSS requirements, the Group has internally defined the following criteria covering the most significant portfolios. These criteria shall be followed in the consolidated report. In the case other local criteria are defined, please contact in advance HQ teams (Responsible Banking, Risk, ESG reporting) to ensure an orderly process:

1. **Retail transactions:** Not applicable. Based on article 18 of Taxonomy Regulation, households are not considered to comply with MSS requirements.
2. **Specific purpose transaction with CSRD clients / sponsor:** According to Taxonomy Regulation, the minimum safeguards shall be procedures implemented by an undertaking that is carrying out an economic activity to ensure the alignment with:
 - a. the OECD Guidelines for Multinational Enterprises and
 - b. the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and
 - c. the International Bill of Human Rights.

To comply with requirements, each assessment must be based on the client's audited taxonomy reports/documents, client's taxonomy internal reports and/or independent third-party data.

7. Governance

SFICS governance: The SFICS will be reviewed and updated periodically to reflect sustainability-related market developments, Santander's business activities and regulatory requirements. New versions of the SFICS would also cover new sustainable financial instruments and would not affect the classification of sustainable financial instruments already considered as such.

		Business	Sustainability	Risk	Compliance	ESG Reporting	Finance	IT (T&O)	ESG Cert. meeting	ESG Meeting	ESG Disc. Forum
Design of SFICS	1 Ownership of the document			R, A							
	2 Approval of document: determine level/approach of approval required	C	R, A	C					I	I	
	3 Review of framework, incl. monitoring of regulatory and market developments, and update as required (in case of material change triggered by, e.g. update in EU taxonomy)	C	R, A	C		C		I	C	I	I
	4 Individual developments triggered by market practice and/or ad-hoc regulatory updates (quarterly)	C, A	R, A	C		C		I	C	I	
Implementation of SFICS	5 Evolve Nautilus as/if appropriate while maintaining SPO status	A ⁵	C	C		I	R, A				
	6 Gathering evidence and information to support classification of deals - Clients, Product and transactions (significant contribution, DNSH, MSS)	R, A		R, A ⁶	R, A ⁵						
	7 Propose classification as Environmental Finance ("EU Taxonomy consistent", "Santander-specific") or "Social Finance" or "Sustainability-linked Finance" or "Socially Responsible Investment" at origination (incl. assessment of certification as evidence for criteria)	R, A	C	C	C				C, I		
	8 Approves classification (Clients, Product and transactions). Excludes approval of new criteria (covered in activities #3 & #4)	TBD ¹ (ESG Panel ToR)				R, A ³					
	9 Review of activity as part of on-going monitoring/resolving queries	R, A ⁴							I		
	10* For Retail Clients and Products: Execute classification of business to gather performance under products / clients classified	TBD ⁷				TBD ⁷			I		
	11 Independent secondline oversight and assurance of application of the framework on transactions (as part of on-going monitoring – as per greenwashing guidelines)	I	R, A	R, A					I		
	12 Implement criteria changes into relevant IT and Business systems (Business accountable to define requirements; IT is responsible for implementation)	C, A	C	I ²		C, A		R			
Reporting	13 Execution of GAR reporting (tracking how much of portfolio is "EU Taxonomy aligned" vs. "Non EU Taxonomy aligned")	A, I	I	I		R, A			I		

DNSH: Do No Significant Harm; MSS: Minimum (Social) Safeguards; 1: This role to potentially entail quorum and/or voting responsibilities; this will be defined once the ESG Panel Terms of Reference is finalised; 2: Informed as tagging could inform Pillar 3; 3: Provide opinion on consistency with Sustainable Finance and Investment Classification System; 4: For Businesses where relevant this is Middle Office/Support Areas; 5: DCM within CIB is the unit Accountable; 6: Responsible and Accountable for DNSH and MSS assessment from the SCIB ESCC Risk Team or Group ESCC Risk; 7: Subject to further refinement and potentially review at new/existing panel

*For products such as mortgages, further analysis might be required as Santander-specific criteria is broader than the EU Taxonomy consistent criteria. Further modelling on existing data might be required (budget & resources needed to comply with regulation)

Call outs in the RACI matrix:

DNSH: Do No Significant Harm; MSS: Minimum (Social) Safeguards;

1. This role to potentially entail quorum and/or voting responsibilities; this will be defined once the ESG Certification Meeting Term of Reference is finalised;
2. Informed as tagging could inform Pillar 3;
3. Provide opinion on consistency with Sustainable Finance and Investment Classification System;
4. For Businesses where relevant this is Middle Office/Support Areas;
5. DCM within CIB is the unit Accountable;
6. Responsible and Accountable for DNSH and MSS assessment from the SCIB ESCC Risk team or Group ESCC Risk;
7. Subject to further refinement and potentially review at new/existing ESG Certification Meeting;

Appendix A. Environmental Finance

In the Environmental Finance Appendix, we present a comprehensive set of substantial contribution criteria across sectors. The following sector-agnostic description and criteria applies to all activities within this Appendix.

Each activity usually has two types of criteria: the EU Taxonomy consistent criterion and the Santander-specific criterion. By complying with *either* the EU Taxonomy consistent or the Santander-specific criterion, the activity will qualify as Environmental Finance.

Depending on the criteria, the EU Taxonomy distinguishes between three kinds of contribution:

- **Own performance:** Activities that are low carbon (very low or zero emissions)
- **Transitional activities:** Activities that contribute to a transition to a net-zero emissions economy in 2050 but are not yet close to net-zero emissions
- **Enabling activities:** Activities that enable other activities to contribute to low-carbon performance or substantial emissions reductions

For each of the activities, the following aspects will be considered: construction, manufacturing, installation, expansion, repair, renovation, retrofit, adaptation to physical climate risk, improvement, refurbishment, preservation, rehabilitation and expansion, transmission and distribution, purchase, operation, transport, and maintenance of infrastructure (and land), as well as specific machinery, equipment, components and services, dedicated to produce or support activities or products if they conform to the criteria provided per sector below

For each of the activity's EU Taxonomy consistent criterion, where relevant, there may be a "License to operate [LTO]" flag.

- Purpose of this flag: The EU Taxonomy contains frequent references to existing European legislation which imposes requirements regarding health and safety, environmental standards, monitoring, reporting etc. on companies operating within the EU. We thus assume all EU customers comply with applicable existing legislation in the EU and only check for activity-specific criteria. These criteria are flagged with [LTO]. Note that not all EU Taxonomy consistent criteria have such a license to operate argument.
- There are three scenarios when considering license to operate:
 - Companies that operate in EU: **it is assumed** that customers comply with all "license to operate" criteria within the EU Taxonomy
 - Non-EU based companies who operate outside of EU: **not included in GAR**, no "license to operate" checks required
 - EU-based companies who operate outside of EU: **companies to confirm** that they comply with EU "license to operate" even when conducting businesses outside of EU. Clients to confirm that they fulfill all EU legislation, as well as EU Taxonomy defined "Do No Significant Harm" criteria and "Minimum Safeguard Criteria".
 - If no scenario apply, Santander-specific criteria may apply.

Sector-agnostic Climate adaptation criteria for all applicable activities [Significant Contribution criteria]

The approach from the EU Taxonomy for climate adaptation can be considered as sector and activity agnostic, summarized as “Economic activities must implement solutions to reduce physical climate risks that are material to that activity; requiring climate risk assessment and ongoing monitoring, and favour nature-based solutions”. Detailed criteria listed below. Compliance with all criteria is required:

- A. The economic activity has implemented physical and non-physical solutions ('adaptation solutions') that substantially reduce the most important physical climate risks that are material to that activity.
- B. The physical climate risks that are material to the activity have been identified by performing a robust climate risk and vulnerability assessment. The climate risk and vulnerability assessment is proportionate to the scale of the activity and its expected lifespan
- C. The climate projections and assessment of impacts are based on best practice and available guidance and take into account the state-of-the-art science for vulnerability and risk analysis and related methodologies in line with the most recent Intergovernmental Panel on Climate Change reports, scientific peer-reviewed publications and open source or paying models.
- D. The adaptation solutions implemented:
 1. Do not adversely affect the adaptation efforts or the level of resilience to physical climate risks of other people, of nature, of cultural heritage, of assets and of other economic activities;
 2. Favour nature-based solutions or rely on blue or green infrastructure to the extent possible;
 3. Are consistent with local, sectoral, regional or national adaptation plans and strategies;
 4. Are monitored and measured against pre-defined indicators and remedial action is considered where those indicators are not met;
 5. Where the solution implemented is physical and consists in an activity for which technical screening criteria have been specified in this Annex, the solution complies with the do no significant harm technical screening criteria for that activity.

To aid business implementation, Oliver Wyman, with the input from Businesses, established a list of credible market certificates (as of November 2023). These certificates cover a diverse range of sectors. (e.g., agriculture, energy, real estate and construction). The list of qualified certificates will be reviewed regularly to ensure that they continue to meet high standards of assurance and sustainability. Only listed certificates should be used as evidence. Furthermore, certificates related to certain practices require renewal. For instance, agricultural practices are often issued for up to five years and require annual audits to confirm their validity. Therefore, the listed certificates will be accepted only if they have not expired

At the end of each sector's appendix, Oliver Wyman has included a reference guide, providing definitions for the terminology that is applicable across each sections within this appendix.

ENERGY

A.1. Energy

This chapter aims to detail the various standards and conditions which are to be met for an investment related to the energy sector to be deemed sustainable. The provided definitions can be divided into EU taxonomy and Santander-specific. With Santander-specific, a reference is made to the internal Santander standard for climate and sustainability.

All the activities mentioned in this chapter fall under the Energy sector, as defined by the European Commission. Furthermore, all criteria have been validated by experts to ensure conformity with regulation.

The tables in this appendix capture the substantial contribution technical screening criteria (for EU Taxonomy consistent criteria only) for the Energy sector.

Activity	Environmental classification	Mitigation	Adaptation	Water	Circular economy	Pollution	Biodiversity
Electricity generation using solar photovoltaic technology	EU Taxonomy	Own Performance	Own Performance				
Electricity generation using concentrated solar power (CSP) technology	EU Taxonomy	Own Performance	Own Performance				
Electricity generation from wind power	EU Taxonomy	Own Performance	Own Performance				
Electricity generation from ocean energy technologies	EU Taxonomy	Own Performance	Own Performance				
Electricity generation from hydropower	EU Taxonomy	Own Performance	Own Performance				
	Santander-specific	Own Performance	Own Performance				
Electricity generation from geothermal energy	EU Taxonomy	Own Performance	Own Performance				
	Santander-specific	Own Performance	Own Performance				
Electricity generation from renewable non-fossil gaseous and liquid fuels	EU Taxonomy	Own Performance	Own Performance				
	Santander-specific	Own Performance	Own Performance				
Electricity generation from bioenergy	EU Taxonomy	Own Performance	Own Performance				
	Santander-specific	Own Performance	Own Performance				

Activity	Environmental classification	Mitigation	Adaptation	Water	Circular economy	Pollution	Biodiversity
Transmission and distribution of electricity	EU Taxonomy	Enabling	Own Performance				
Storage of electricity	EU Taxonomy	Enabling	Own Performance				
Storage of thermal energy	EU Taxonomy	Enabling	Own Performance				
Storage of hydrogen	EU Taxonomy	Enabling	Own Performance				
	Santander-specific	Enabling	Own Performance				
Manufacture of biogas and biofuels for use in transport and of bioliquids	EU Taxonomy	Own Performance	Own Performance				
	Santander-specific	Own Performance	Own Performance				
Transmission and distribution networks for renewable and low-carbon gases	EU Taxonomy	Own Performance	Own Performance				
District heating/cooling distribution	EU Taxonomy	Own Performance	Own Performance				
Installation and operation of electric heat pumps	EU Taxonomy	Own Performance	Own Performance				
	Santander-specific	Own Performance	Own Performance				
Cogeneration of heat/cool and power from solar energy	EU Taxonomy	Own Performance	Own Performance				
Cogeneration of heat/cool and power from geothermal energy	EU Taxonomy	Own Performance	Own Performance				
	Santander-specific	Own Performance	Own Performance				
Cogeneration of heat/cool and power from renewable non-fossil gaseous and liquid fuels	EU Taxonomy	Own Performance	Own Performance				
	Santander-specific	Own Performance	Own Performance				
Cogeneration of heat/cool and power from bioenergy	EU Taxonomy	Own Performance	Own Performance				
	Santander-specific	Own Performance	Own Performance				

Activity	Environmental classification	Mitigation	Adaptation	Water	Circular economy	Pollution	Biodiversity
Production of heat/cool from solar thermal heating	EU Taxonomy	Own Performance	Own Performance				
Production of heat/cool from geothermal energy	EU Taxonomy	Own Performance	Own Performance				
Production of heat/cool from geothermal energy	Santander-specific	Own Performance	Own Performance				
Production of heat/cool from renewable non-fossil gaseous and liquid fuels	EU Taxonomy	Own Performance	Own Performance				
Production of heat/cool from renewable non-fossil gaseous and liquid fuels	Santander-specific	Own Performance	Own Performance				
Production of heat/cool from bioenergy	EU Taxonomy	Own Performance	Own Performance				
	Santander-specific	Own Performance	Own Performance				
Production of heat/cool/electricity using waste heat	EU Taxonomy	Own Performance	Own Performance				
	Santander-specific	Own Performance	Own Performance				
Pre-commercial stages of advanced technologies to produce energy from nuclear processes with minimal waste from the fuel cycle	EU Taxonomy	Transition	Own Performance				
	Santander-specific	Transition	Own Performance				
Construction and safe operation of new nuclear power plants, for the generation of electricity or heat, including for hydrogen production, using best-available technologies	EU Taxonomy	Transition	Own Performance				
	Santander-specific	Transition	Own Performance				
Electricity generation from nuclear energy in existing installations	EU Taxonomy	Transition	Own Performance				
	Santander-specific	Transition	Own Performance				
Electricity generation from fossil gaseous fuels	EU Taxonomy	Transition	Own Performance				
	Santander-specific	Transition	Own Performance				
	EU Taxonomy	Transition	Own Performance				

Activity	Environmental classification	Mitigation	Adaptation	Water	Circular economy	Pollution	Biodiversity
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	Santander-specific	Transition	Own Performance				
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	EU Taxonomy	Transition	Own Performance				
	Santander-specific	Transition	Own Performance				
Renewable Energy Procurement	Santander-specific	Enabling	Enabling				

A.1.1. Electricity generation using solar photovoltaic technology

Activity description

Construction or operation of electricity generation facilities that produce electricity using solar photovoltaic (PV) technology.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with the following criteria:</p> <ul style="list-style-type: none">• Photovoltaic (PV) solar electricity production <p><i>Note: recommended evidence includes invoice, environmental impact assessment, executive project</i></p>
Santander-specific	Not Applicable

A.1.2. Electricity generation using concentrated solar power (CSP) technology

Activity description

Construction or operation of electricity generation facilities that produce electricity using concentrated solar power (CSP) technology.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with the following criteria:</p> <ul style="list-style-type: none">• Concentrated solar power (CSP) electricity production <p><i>Note: recommended evidence includes invoice, environmental impact assessment, executive project</i></p>
Santander-specific	Not Applicable

A.1.3. Electricity generation from wind power

Activity description

Construction or operation of electricity generation facilities that produce electricity from wind power.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with the following criteria:</p> <ul style="list-style-type: none">• Wind power production
Santander-specific	Not Applicable

A.1.4. Electricity generation from ocean energy technologies

Activity description

Construction or operation of electricity generation facilities that produce electricity from ocean energy.

Eligibility	Criteria
EU Taxonomy consistent	The activity complies with the following criteria: <ul style="list-style-type: none">• Tidal power production
Santander-specific	Not Applicable

A.1.5. Electricity generation from hydropower

Activity description

Construction or operation of electricity generation facilities that produce electricity from hydropower.

Eligibility	Criteria
EU Taxonomy consistent	The activity complies with one of the following criteria: <ol style="list-style-type: none">1. Run-of-river without artificial reservoir or low storage capacity, or2. Hydroelectricity with a power density above 5 W/m², or3. Lifecycle emissions below 100 gCO₂e/kWh; lifecycle GHG emissions are calculated using ISO 14067:2018, ISO 14064-1:2018 or the G-res tool. Quantified life cycle GHG emissions are verified by an independent third party.
Santander-specific	The activity complies with the following criteria: <ul style="list-style-type: none">• Lifecycle emissions below 100g CO₂e/kWh; the GHG emissions are calculated using any internationally or locally recognized certifications (e.g., PAS 2050). Quantified life cycle GHG emissions are verified by an independent third party

A.1.6. Electricity generation from geothermal energy

Activity description

Construction or operation of electricity generation facilities that produce electricity from geothermal energy.

Eligibility	Criteria
EU Taxonomy consistent	The activity complies with all of the following criteria: <ol style="list-style-type: none">1. Geothermal power production, provided that direct emissions are below 100gCO₂e/kWh;2. Lifecycle GHG emission savings are calculated using ISO 14067:2018 or ISO 14064-1:2018;3. Quantified lifecycle GHG emissions are verified by an independent third party
Santander-specific	The activity complies with all of the following criteria: <ol style="list-style-type: none">1. Geothermal power production, provided that direct emissions are below 100gCO₂e/kWh;2. The GHG emissions are calculated using any internationally or locally recognized certifications (e.g. PAS 2050)

A.1.7. Electricity generation from renewable non-fossil gaseous and liquid fuels

Activity description

Construction or operation of electricity generation facilities that produce electricity using gaseous and liquid fuels of renewable origin, excluding electricity generation from the exclusive use of biogas and bio-liquid fuels.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with <u>all</u> of the following criteria [LTO]:</p> <ol style="list-style-type: none">1. Life-cycle GHG emissions from the generation of electricity using renewable gaseous and liquid fuels are lower than 100gCO2e/kWh; Life-cycle GHG emissions are calculated based on project-specific data using ISO 14067:2018 or ISO 14064-1:2018; Quantified life-cycle GHG emissions are verified by an independent third party; Green and blue hydrogen are included, provided that production processes show compliance with all standards outlined below.2. The activity meets either of the following criteria⁹:<ol style="list-style-type: none">A. At construction, measurement equipment for monitoring of physical emissions, such as methane leakage is installed, or a leak detection and repair program is introduced;B. At operation, physical measurement of methane emissions is reported and leak is eliminated.3. The CO2 leakage of carbon transport methods¹⁰ are limited to <= 0.5 %, and Carbon sequestration sites comply with internationally recognised standards (i.e. the activity complies with ISO 27914:2017), and Carbon capture technologies enable an economic activity like power generation and the production of hydrogen, steel, cement, and chemicals to operate within the allowed carbon intensity threshold in the technical criteria defined within the Manufacturing sector (e.g. Steel: hot metal = 1.331 tCO2e/t product; electric Arc Furnace (EAF) high alloy steel = 0.266 tCO2e/t product)4. Biofuels, bioliquids and biomass fuels produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, wetlands or peatlands and forest biomass shall not derive from unsustainable production; examples of non-eligible land include protected areas, natural reserves, land certified by IUCN RLE; products certified by FSC® are eligible
Santander-specific	<p>The activity complies with <u>all</u> of the following criteria:</p> <ol style="list-style-type: none">1. Life-cycle GHG emissions from the generation of electricity using renewable gaseous and liquid fuels are lower than 100gCO2e/kWh; the GHG emissions are calculated using any internationally or locally recognized certifications (e.g. PAS 2050). Quantified life-cycle GHG emissions are verified by an independent third party.2. The activity meets either of the following criteria:<ol style="list-style-type: none">A. At construction, measurement equipment for monitoring of physical emissions, such as methane leakage is installed, or a leak detection and repair program is introducedB. At operation, physical measurement of methane emissions is reported and leak is eliminated3. The CO2 leakage of carbon transport methods is certified based on acceptable standards to Santander4. Biofuels, bioliquids and biomass fuels produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, wetlands or peatlands and forest biomass shall not derive from unsustainable production5. The use of biomethane fuel certified by Guarantee of Origin (GOO) certificates is accepted as an alternative to a physical piped connection

⁹ As part of the EU's methane strategy, the Commission has since adopted a legislative proposal to reduce CH4 emissions in the energy sector. It is currently under consideration by the EU co-legislators. The proposal covers oil, gas and coal and includes: Compulsory measurement, reporting, and verification (MRV) for all energy-related methane emissions in the EU, building on the United Nation's Oil and Gas Methane Partnership (OGMP 2.0) methodology for the oil and gas sectors.

¹⁰ Refers to the transport of CO2 and installation of assets that increase the flexibility and improve the management of an existing network to transport CO2

A.1.8. Electricity generation from bioenergy

Activity description

Construction and operation of electricity generation installations that produce electricity exclusively from biomass, biogas or bioliquids, excluding electricity generation from blending of renewable fuels with biogas or bioliquids.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with <u>all</u> of the following criteria [LTO]:</p> <ol style="list-style-type: none">1. Feedstock complies with either a. or b.<ol style="list-style-type: none">A. Feedstock is certified by any of the following certificates:<ol style="list-style-type: none">i. Biomass Biofuels voluntary scheme (2BSvs);ii. Better Biomass;iii. Bonsucro EU;iv. International Sustainability and Carbon Certification (ISCC EU);v. KZR INiG system;vi. REDcert;vii. Red Tractor Farm Assurance Combinable Crops & Sugar Beet Scheme (Red Tractor);viii. Roundtable of Sustainable Biofuels EU RED (RSB EU RED);ix. Scottish Quality Farm Assured Combinable Crops (SQC);x. Trade Assurance Scheme for Combinable Crops (TASCC);xi. Universal Feed Assurance Scheme (UFAS);xii. Sustainable Resources (SURE) voluntary scheme;xiii. Sustainable Biomass Program (SBP)xiv. Austrian Agricultural Certification Scheme (AACS)B. Both of the below criteria are complied with:<ol style="list-style-type: none">i. Biofuels, bioliquids and biomass fuels produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, wetlands or peatlands and forest biomass shall not derive from unsustainable production; examples of non-eligible land include protected areas, natural reserves, land certified by IUCN RLE; products certified by FSC® are eligibleii. The greenhouse gas emission savings from the use of biomass are at least 80% in relation to fossil fuel baseline¹¹<ol style="list-style-type: none">2. Points 1. is not applicable to electricity generation installations with a total rated thermal input below 2 MW and using gaseous biomass fuels3. For electricity generation installations with a total rated thermal input from 50 to 100 MW, the activity applies high-efficiency cogeneration technology, or, for electricity-only installations, the activity meets an energy efficiency level associated with the best available techniques (BAT-AEL)4. For electricity generation installations with a total rated thermal input above 100 MW, at least one of the following needs to be complied with:<ol style="list-style-type: none">A. The activity attains electrical efficiency of at least 36 %B. Applies highly efficient CHP (combined heat and power) technologyC. Uses carbon capture and storage technology; the CO₂ leakage of carbon transport methods¹² is limited to <= 0.5 %, and Carbon sequestration sites comply with internationally recognised standards (i.e. the activity complies with ISO 27914:2017)5. For anaerobic generation, the produced biogas is used directly for the generation of electricity or heat, or upgraded to bio-methane for injection in the natural gas grid, or used as vehicle or ship fuel or as feedstock in chemical industry

¹¹ Fossil fuel baselines for bioliquids (production of electricity) - 183 CO₂ e/MJ; For outermost regions and non-EU countries, the following baseline is applicable for electricity generation: 212 g CO₂ eq/MJ

¹² Refers to the transport of CO₂ and installation of assets that increase the flexibility and improve the management of an existing network to transport CO₂

Eligibility	Criteria
Santander-specific	<p>The activity complies with <u>one</u> of the following criteria:</p> <ol style="list-style-type: none"> 1. Renovabio as certification OR Feedstock subject to Santander ESCC Risk evaluation with a result of 2,8 points or above (for Brazil only – or any other country where an equivalent assessment can be performed), or 2. Feedstock is certified by ISCC Plus or RSB Biomass with either: <ol style="list-style-type: none"> A. Lifecycle GHG emissions intensity is below 100gCO₂e/kWh, or B. Lifecycle emissions at least 65% lower than fossil fuel baseline¹³

A.1.9. Transmission and distribution of electricity

Activity description

Construction and operation of transmission systems that transport the electricity on the extra high-voltage and high-voltage interconnected system or distribution systems that transport electricity on high-voltage, medium-voltage, and low-voltage distribution systems.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with <u>one</u> of the following criteria:</p> <ol style="list-style-type: none"> 1. The transmission and distribution infrastructure or any equipment in an electricity system (excluding metering systems), complies with <u>at least one</u> of the following: <ol style="list-style-type: none"> A. More than 67 % of newly enabled generation capacity in the system is below the generation threshold value of 100 g CO₂e/kWh, or B. The average system grid emissions factor is below the threshold value of 100 g CO₂e/kWh, over a rolling five-year period, or C. The system is the interconnected European system, i.e., the interconnected control areas of Member States, Norway, Switzerland and the United Kingdom, and its subordinated systems, <p>Or</p> <p>The activity is one of the following:</p> <ol style="list-style-type: none"> 1. The building or repair of grid infrastructure with average system grid emissions factor of less than 100gCO₂e/kWh over a rolling five-year period 2. Construction/installation and operation of equipment and infrastructure where the main objective is an increase of the generation or use of renewable electricity generation 3. Construction and operation of electric vehicle (EV) charging stations and supporting electric infrastructure for the electrification of transport, subject to compliance with the technical criteria defined within the Transport sector on the following activities: <ol style="list-style-type: none"> A. Infrastructure for rail transport B. Infrastructure enabling low-carbon road transport and public transport C. Infrastructure enabling low carbon water transport D. Low carbon airport infrastructure 4. Installation of transmission and distribution transformers and, for medium power transformers with highest voltage for equipment not exceeding 36 kV, with AAA0 level requirements on no-load losses set out in standard EN 50588-1 [LTO] 5. Installation of equipment to increase the controllability and observability of the electricity system and to enable the development and integration of renewable energy sources, including: <ol style="list-style-type: none"> A. Sensors and measurement tools (including meteorological sensors for forecasting renewable production) B. Software and control rooms, automation of substations or feeders, and voltage control capabilities to adapt to more decentralised renewable infeed)

¹³ Fossil fuel baselines for bioliquids (production of electricity) - 183 CO₂ e/MJ; For outermost regions and non-EU countries, the following baseline is applicable for electricity generation: 212 g CO₂ eq/MJ

Eligibility	Criteria
	<p>C. Construction/installation of equipment to allow for exchange of specifically renewable electricity between users</p> <p>D. Installation of equipment such as, but not limited to future smart metering systems or those replacing smart metering systems, able to carry information to users for remotely acting on consumption, including customer data hubs [LTO]</p> <p>E. Construction and operation of interconnectors between transmission systems, provided that one of the systems is compliant</p>
Santander-specific	Not Applicable

A.1.10. Storage of electricity

Activity description

Construction and operation of facilities that store electricity and return it later in the form of electricity. The activity includes pumped hydropower storage.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with <u>all</u> of the following criteria:</p> <ol style="list-style-type: none"> 1. The activity is the construction and operation of electricity storage including pumped hydropower, electrochemical (e.g., BESS), mechanical storage 2. Where the activity includes chemical energy storage, the medium of storage (such as hydrogen or ammonia) complies with the manufacturing requirements technical criteria defined within the Manufacturing sector (for cement, aluminium, iron and steel, hydrogen, carbon black, soda ash, chlorine, organic basic chemicals, anhydrous ammonia, nitric acid, plastics in primary form)
Santander-specific	Not Applicable

A.1.11. Storage of thermal energy

Activity description

Construction and operation of facilities that store thermal energy and return it later in the form of thermal energy or other energy vectors.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with the following criteria:</p> <ul style="list-style-type: none"> • The activity stores thermal energy, including Underground Thermal Energy Storage (UTES) or Aquifer Thermal Energy Storage (ATES)
Santander-specific	Not Applicable

A.1.12. Storage of hydrogen

Activity description

Construction and operation of facilities that store hydrogen and return it later.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with all of the following criteria:</p> <ol style="list-style-type: none">1. The activity is one of the following:<ol style="list-style-type: none">A. Construction of hydrogen storage facilities, orB. Conversion of existing underground gas storage facilities into storage facilities dedicated to hydrogen-storage, orC. Operation of hydrogen storage facilities2. The hydrogen stored in the facility meets the criteria for manufacture of hydrogen: life-cycle GHG emissions savings requirement of 73.4% for hydrogen [resulting in life-cycle GHG emissions lower than 3tCO2e/tH2] and 70% for hydrogen-based synthetic fuels relative to a fossil fuel comparator of 94g CO2e/MJ; Quantified life-cycle GHG emission savings are calculated using ISO 14067:2018 or ISO 14064- 1:2018 and are verified by an independent third party¹⁴3. The CO2 leakage of carbon transport methods is limited to <= 0.5 %, and Carbon sequestration sites comply with internationally recognised standards (i.e. the activity complies with ISO 27914:2017)
Santander-specific	<p>The activity complies with one of the following criteria:</p> <p>The activity is one of the following</p> <ol style="list-style-type: none">1. Construction of hydrogen storage facilities, or2. Conversion of existing underground gas storage facilities into storage facilities dedicated to hydrogen-storage, or3. Operation of hydrogen storage facilities <p>OR</p> <ol style="list-style-type: none">1. The hydrogen stored in the facility meets the criteria for manufacture of hydrogen: life-cycle GHG emissions savings requirement of 73.4% for hydrogen [resulting in life-cycle GHG emissions lower than 3tCO2e/tH2] and 70% for hydrogen-based synthetic fuels relative to a fossil fuel comparator of 94g CO2e/MJ; the GHG emissions are calculated using any internationally or locally recognized certifications (e.g. PAS 2050). Quantified life-cycle GHG emissions are verified by an independent third party <p>OR</p> <ol style="list-style-type: none">1. The CO2 leakage of carbon transport methods and carbon sequestration is certified based on acceptable standards to Santander

¹⁴Potential certifications/ evidence to prove compliance with CO2 thresholds (EC's decisions on these schemes are pending approval):

- ISCC EU (which already provides existing certification schemes for biofuels and biomass fuels)
- CertifHy and REDCert are three voluntary schemes that have submitted an application to the EC for accreditation of an RFNBO certification process

A.1.13. Manufacture of biogas and biofuels for use in transport and of bioliquids

Activity description

Manufacture of biogas or biofuels for use in transport and of bioliquids.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with <u>all</u> of the following criteria [LTO]:</p> <ol style="list-style-type: none"> 1. Feedstock complies with either A. or B. <ul style="list-style-type: none"> A. Feedstock is certified by any of the following certificates: <ul style="list-style-type: none"> i. Biomass Biofuels voluntary scheme (2BSvs); ii. Better Biomass; iii. International Sustainability and Carbon Certification (ISCC EU); iv. KZR INiG system; v. REDcert; vi. Roundtable of Sustainable Biofuels EU RED (RSB EU RED); vii. Sustainable Resources (SURE) voluntary scheme; viii. Sustainable Biomass Program (SBP) ix. Austrian Agricultural Certification Scheme (AACS) B. Both (i) and (ii) are complied with: <ul style="list-style-type: none"> i. Biofuels, bioliquids and biomass fuels produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, wetlands or peatlands and forest biomass shall not derive from unsustainable production; examples of non-eligible land include protected areas, natural reserves, land certified by IUCN RLE; products certified by FSC® are eligible ii. The greenhouse gas emission savings from the manufacture of biofuels and biogas for use in transport are at least 65% in relation to fossil fuel baseline¹⁵ 2. Food-and feed crops are excluded for the manufacture of biofuels for use in transport and for the manufacture of bioliquids; Ethanol is traditionally made from biomass (unsustainable), but “second-generation” tech will allow it to be made from cellulose and hemicellulose 3. The CO2 leakage of carbon transport methods¹⁶ is limited to <= 0.5 %, and Carbon sequestration sites comply with internationally recognised standards (i.e. the activity complies with ISO 27914:2017) 4. For anaerobic generation, the produced biogas is used directly for the generation of electricity or heat, or upgraded to bio-methane for injection in the natural gas grid, or used as vehicle or ship fuel or as feedstock in chemical industry
Santander-specific	<p>The activity complies with <u>one</u> of the following criteria:</p> <ol style="list-style-type: none"> 1. Renovabio as certification OR Feedstock subject to Santander ESCC Risk evaluation with a result of 2,8 points or above (for Brazil only – or any other country where an equivalent assessment can be performed), or 2. Feedstock is certified by ISCC Plus or RSB Biomass with either: <ul style="list-style-type: none"> A. Lifecycle GHG emissions intensity is below 100gCO2e/kWh, or B. Lifecycle emissions at least 65% lower¹⁷

¹⁵ Fossil fuel baselines for biofuel production facilities (for transportation) - 94 gCO2e/MJ; For outermost regions and non-EU countries, the following baseline is applicable for electricity generation: 212 g CO2e/MJ

¹⁶ Refers to the transport of CO2 and installation of assets that increase the flexibility and improve the management of an existing network to transport CO2

¹⁷ Fossil fuel baselines for biofuel production facilities (for transportation) - 94 gCO2e/MJ; For outermost regions and non-EU countries, the following baseline is applicable for electricity generation: 212 g CO2e/MJ

A.1.14. Transmission and distribution networks for renewable and low-carbon gases

Activity description

Conversion, repurposing or retrofit of gas networks for the transmission and distribution of renewable and low-carbon gases.

Construction or operation of transmission and distribution pipelines dedicated to the transport of hydrogen or other low-carbon gases.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with all of the following criteria:</p> <ol style="list-style-type: none">1. The activity consists in one of the following:<ol style="list-style-type: none">A. Construction or operation of new transmission and distribution networks dedicated to hydrogen or other low-carbon gases, orB. Conversion/repurposing of existing natural gas networks to 100% hydrogen, orC. Retrofit of gas transmission and distribution networks that enables the integration of hydrogen and other low carbon gases in the network, including any gas transmission or distribution network activity that enables the increase of the blend of hydrogen or other low carbon gasses in the gas system;2. The activity includes leak detection and repair of existing gas pipelines and other network elements to reduce methane leakage¹⁸
Santander-specific	Not Applicable

A.1.15. District heating/cooling distribution

Activity description

Construction, refurbishment and operation of pipelines and associated infrastructure for distribution of heating and cooling, ending at the sub-station or heat exchanger.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with one of the following criteria:</p> <ol style="list-style-type: none">1. For construction and operation of pipelines and associated infrastructure for distributing heating and cooling, the system should adhere to efficient district heating and cooling standards, or2. For refurbishment of pipelines and associated infrastructure for distributing heating and cooling, the investment that makes the system meet the definition of efficient district heating or cooling starts within a three-year period as underpinned by a contractual obligation or an equivalent in case of operators in charge of both generation and the network, or3. The activity is one of the following:<ol style="list-style-type: none">A. Modification to lower temperature regimes, orB. Advanced pilot systems (control and energy management systems, Internet of Things)
Santander-specific	Not Applicable

¹⁸ As part of the EU's methane strategy, the Commission has since adopted a legislative proposal to reduce CH4 emissions in the energy sector. It is currently under consideration by the EU co-legislators. The proposal covers oil, gas and coal and includes: Compulsory measurement, reporting, and verification (MRV) for all energy-related methane emissions in the EU, building on the United Nation's Oil and Gas Methane Partnership (OGMP 2.0) methodology for the oil and gas sectors

A.1.16. Installation and operation of electric heat pumps

Activity description

Installation and operation of electric heat pumps.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with the following criteria [LTO]:</p> <p>The installation and operation of electric heat pumps complies with refrigerant threshold: Global Warming Potential does not exceed 675 ¹⁹. Examples of refrigerants with GWP < than 675 include: R-152A (HFC-152a, Difluoroethane), R-32 (HFC-32,Difluoromethane), R-41 (HFC-41,Fluoromethane or Methyl fluoride), <i>Other examples can be easily found online</i></p>
Santander-specific	<p>The activity complies with the following criteria:</p> <ul style="list-style-type: none">• Electric heat pumps (air-source [aerothemia], or ground-source / water-source)

A.1.17. Cogeneration of heat/cool and power from solar energy

Activity description

Construction and operation of facilities co-generating electricity and heat/cool from solar energy.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with the following criteria:</p> <ul style="list-style-type: none">• Cogeneration of electricity and heat/cool from solar energy.
Santander-specific	Not Applicable

¹⁹ GWP could be calculated using the [GWP Calculator](#) based on the type of refrigerant

A.1.18. Cogeneration of heat/cool and power from geothermal energy

Activity description

Construction and operation of facilities co-generating heat/cool and power from geothermal energy.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with the following criteria:</p> <ul style="list-style-type: none">• The life-cycle GHG emissions from the combined generation of heat/cool and power from geothermal energy are lower than 100 g CO₂e per 1 kWh of energy output from the combined generation; Life-cycle GHG emissions are calculated based on project-specific data using ISO 14067:2018 or ISO 14064-1:2018.; Quantified life-cycle GHG emissions are verified by an independent third party.
Santander-specific	<p>The activity complies with the following criteria:</p> <ul style="list-style-type: none">• The life cycle GHG emissions from the combined generation of heat/cool and power from geothermal energy are lower than 100 g CO₂e per 1 kWh of energy output from the combined generation; the GHG emissions are calculated using any internationally or locally recognized certifications (e.g., PAS 2050). Quantified life cycle GHG emissions are verified by an independent third party

A.1.19. Cogeneration of heat/cool and power from renewable non-fossil gaseous and liquid fuels

Activity description

Construction and operation of combined heat/cool and power generation facilities using gaseous and liquid fuels of renewable origin. This activity does not include cogeneration of heat/cool and power from the exclusive use of biogas and bio-liquid fuels.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with <u>all</u> of the following criteria [LTO]:</p> <ol style="list-style-type: none">1. Lifecycle GHG emissions from the co-generation of heat/cool from gaseous fuels are lower than 100g CO₂e/kWh. Lifecycle GHG emission savings are calculated using ISO 14067:2018 or ISO 14064-1:2018 and quantified lifecycle GHG emissions are verified by an independent third party2. Either (a) or (b) is true²⁰:<ol style="list-style-type: none">A. At construction, measurement equipment for monitoring of physical emissions, such as those from methane leakage, is installed or a leak detection and repair program is introducedB. At operation, physical measurement of emissions is reported and any leak is eliminated3. The CO₂ leakage of carbon transport methods²¹ are limited to ≤ 0.5 %, and Carbon sequestration sites comply with internationally recognized standards (i.e., the activity complies with ISO 27914:2017), and Carbon capture technologies enable an economic activity like power generation and the production of hydrogen, steel, cement, and chemicals to operate within the allowed carbon intensity threshold in the technical criteria defined within the Manufacturing sector (e.g. Steel: hot metal = 1.331 tCO₂e/t product; Electric Arc Furnace (EAF) high alloy steel = 0.266 tCO₂e/t product)4. Biofuels, bioliquids and biomass fuels produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, wetlands or peatlands and forest biomass shall not derive from unsustainable production; examples of non-eligible land include protected areas, natural reserves, land certified by IUCN RLE; products certified by FSC® are eligible
Santander-specific	<p>The activity complies with <u>all</u> of the following criteria:</p> <ol style="list-style-type: none">1. Life-cycle GHG emissions from the co-generation of heat/cool from gaseous fuels are lower than 100g CO₂e/kWh; the GHG emissions are calculated using any internationally or locally recognized certifications (e.g. PAS 2050). Quantified life-cycle GHG emissions are verified by an independent third party.2. Either (a.) or (b.) is true:<ol style="list-style-type: none">A. At construction, measurement equipment for monitoring of physical emissions, such as those from methane leakage, is installed or a leak detection and repair program is introducedB. At operation, physical measurement of emissions are reported and any leak is eliminated3. The CO₂ leakage of carbon transport methods and carbon sequestration is certified based on acceptable standards to Santander4. Biofuels, bioliquids and biomass fuels produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, wetlands or peatlands and forest biomass shall not derive from unsustainable production5. The use of biomethane fuel certified by Guarantee of Origin (GOO) certificates is accepted as an alternative to a physical piped connection

A.1.20. Cogeneration of heat/cool and power from bioenergy

Activity description

Construction and operation of installations used for cogeneration of heat/cool and power exclusively from biomass, biogas or bioliquids, and excluding cogeneration from blending of renewable fuels with biogas or bioliquids.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with <u>all</u> of the following criteria [LTO]:</p> <ol style="list-style-type: none"> 1. Feedstock complies with either a. or b. <ol style="list-style-type: none"> A. Feedstock is certified by any of the following certificates: <ol style="list-style-type: none"> i. Biomass Biofuels voluntary scheme (2BSvs); ii. Better Biomass; iii. Bonsucro EU; iv. International Sustainability and Carbon Certification (ISCC EU); v. KZR INiG system; vi. REDcert; vii. Red Tractor Farm Assurance Combinable Crops & Sugar Beet Scheme (Red Tractor); viii. Roundtable of Sustainable Biofuels EU RED (RSB EU RED); ix. Scottish Quality Farm Assured Combinable Crops (SQC); x. Trade Assurance Scheme for Combinable Crops (TASCC); xi. Universal Feed Assurance Scheme (UFAS); xii. Sustainable Resources (SURE) voluntary scheme; xiii. Sustainable Biomass Program (SBP) xiv. Austrian Agricultural Certification Scheme (AACS) B. Both (i) and (ii) are complied with <ol style="list-style-type: none"> i. Biofuels, bioliquids and biomass fuels produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, wetlands or peatlands and forest biomass shall not derive from unsustainable production; examples of non-eligible land include protected areas, natural reserves, land certified by IUCN RLE; products certified by FSC® are eligible ii. The greenhouse gas emission savings from the use of biomass are at least 80% in relation to fossil fuel baseline²² 2. Point 1. do not apply to cogeneration installations with a total rated thermal input below 2 MW and using gaseous biomass fuels 3. For anaerobic generation, the produced biogas is used directly for the generation of electricity or heat, or upgraded to bio-methane for injection in the natural gas grid, or used as vehicle or ship fuel or as feedstock in chemical industry
Santander-specific	<p>The activity complies with <u>one</u> of the following:</p> <ol style="list-style-type: none"> 1. Feedstock subject to Santander ESCC Risk evaluations (For Brazil only) 2. Feedstock is certified by ISCC Plus or RSB Biomass with: <ol style="list-style-type: none"> A. Lifecycle GHG emissions intensity is below 100g CO₂e/kWh or B. Lifecycle emissions at least 65% lower²³

²⁰ As part of the EU's methane strategy, the Commission has since adopted a legislative proposal to reduce CH₄ emissions in the energy sector. It is currently under consideration by the EU co-legislators. The proposal covers oil, gas and coal and includes Compulsory measurement, reporting, and verification (MRV) for all energy-related methane emissions in the EU, building on the United Nation's Oil and Gas Methane Partnership (OGMP 2.0) methodology for the oil and gas sectors.

²¹ Refers to the transport of CO₂ and installation of assets that increase the flexibility and improve the management of an existing network to transport CO₂

²² Fossil fuel baselines for biofuel production facilities: (i) Bioliquids (production of electricity) - 183 CO₂e/MJ; and (ii) Bioliquids (production of heat) - 80 CO₂e/MJ as per the EU Renewable Energy Directive II. For outermost regions and non-EU countries, the following baseline is applicable for electricity generation: 212 g CO₂e/MJ

²³ Fossil fuel baselines for biofuel production facilities: (i) Bioliquids (production of electricity) - 183 CO₂e/MJ; and (ii) Bioliquids (production of heat) - 80 CO₂e/MJ as per the EU Renewable Energy Directive II. For outermost regions and non-EU countries, the following baseline is applicable for electricity generation: 212 g CO₂e/MJ

A.1.21. Production of heat/cool from solar thermal heating

Activity description

Construction and operation of facilities producing heat/cool from solar thermal heating technology.

Eligibility	Criteria
EU Taxonomy consistent	The activity complies with the following criteria: <ul style="list-style-type: none">• Heating/cooling systems powered by solar thermal heating
Santander-specific	Not Applicable

A.1.22. Production of heat/cool from geothermal energy

Activity description

Construction or operation of facilities that produce heat/cool from geothermal energy.

Eligibility	Criteria
EU Taxonomy consistent	The activity complies with <u>all</u> of the following criteria: <ol style="list-style-type: none">1. The life-cycle GHG emissions from the generation of heat/cool from geothermal energy are lower than 100gCO2e/kWh2. Life-cycle GHG emissions are calculated using ISO 14067:2018 or ISO 14064-1:20183. Quantified life-cycle GHG emissions are verified by an independent third party
Santander-specific	The activity complies with <u>all</u> of the following criteria: <ol style="list-style-type: none">1. The life cycle GHG emissions from the generation of heat/cool from geothermal energy are lower than 100gCO2e/kWh;2. The GHG emissions are calculated using any internationally or locally recognized certifications (e.g., PAS 2050);3. Quantified life-cycle GHG emissions are verified by an independent third party

A.1.23. Production of heat/cool from renewable non-fossil gaseous and liquid fuels

Activity description

Construction and operation of heat generation facilities that produce heat/cool using gaseous and liquid fuels of renewable origin. This activity does not include production of heat/cool from the exclusive use of biogas and bio-liquid fuels.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with <u>all</u> of the following criteria [LTO]:</p> <ol style="list-style-type: none">1. Lifecycle GHG emissions from the generation of heat/cool from gaseous fuels are lower than 100g CO₂e/kWh. Lifecycle GHG emission savings are calculated using ISO 14067:2018 or ISO 14064-1:2018 and quantified lifecycle GHG emissions are verified by an independent third party2. Either (a) or (b) is true²⁴:<ol style="list-style-type: none">A. At construction, measurement equipment for monitoring of physical emissions, such as those from methane leakage, is installed or a leak detection and repair program is introducedB. At operation, physical measurement of emissions are reported and any leak is eliminated3. The CO₂ leakage of carbon transport methods²⁵ are limited to ≤ 0.5 %, and Carbon sequestration sites comply with internationally recognized standards (i.e. the activity complies with ISO 27914:2017, and Carbon capture technologies enable an economic activity like power generation and the production of hydrogen, steel, cement, and chemicals to operate within the allowed carbon intensity threshold in the technical criteria defined within the Manufacturing sector (e.g. Steel: hot metal = 1.331 tCO₂e/t product; electric Arc Furnace (EAF) high alloy steel = 0.266 tCO₂e/t product)4. Biofuels, bioliquids and biomass fuels produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, wetlands or peatlands and forest biomass shall not derive from unsustainable production; examples of non-eligible land include protected areas, natural reserves, land certified by IUCN RLE; products certified by FSC® are eligible
Santander-specific	<p>The activity complies with <u>all</u> of the following criteria:</p> <ol style="list-style-type: none">1. Lifecycle GHG emissions from the generation of heat/cool from gaseous fuels are lower than 100g CO₂e/kWh. The GHG emissions are calculated using any internationally or locally recognized certifications (e.g., PAS 2050). Quantified life cycle GHG emissions are verified by an independent third party.2. Either (a.) or (b.) is true:<ol style="list-style-type: none">A. At construction, measurement equipment for monitoring of physical emissions, such as those from methane leakage, is installed or a leak detection and repair program is introducedB. At operation, physical measurement of emissions is reported and any leak is eliminated3. The CO₂ leakage of carbon transport methods and carbon sequestration is certified based on acceptable standards to Santander4. Biofuels, bioliquids and biomass fuels produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, wetlands or peatlands and forest biomass shall not derive from unsustainable production5. The use of biomethane fuel certified by Guarantee of Origin (GOO) certificates is accepted as an alternative to a physical piped connection

²⁴ As part of the EU's methane strategy, the Commission has since adopted a legislative proposal to reduce CH₄ emissions in the energy sector. It is currently under consideration by the EU co-legislators. The proposal covers oil, gas and coal and includes: Compulsory measurement, reporting, and verification (MRV) for all energy-related methane emissions in the EU, building on the United Nation's Oil and Gas Methane Partnership (OGMP 2.0) methodology for the oil and gas sectors.

²⁵ Refers to the transport of CO₂ and installation of assets that increase the flexibility and improve the management of an existing network to transport CO₂

A.1.24. Production of heat/cool from bioenergy

Activity description

Construction and operation of facilities that produce heat/cool exclusively from biomass, biogas or bioliquids, and excluding production of heat/cool from blending of renewable fuels with biogas or bioliquids.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with <u>all</u> of the following criteria [LTO]:</p> <ol style="list-style-type: none"> 1. Feedstock complies with either a. or b. <ol style="list-style-type: none"> A. Feedstock is certified by any of the following certificates: <ol style="list-style-type: none"> i. Biomass Biofuels voluntary scheme (2BSvs); ii. Better Biomass; iii. Bonsucro EU; iv. International Sustainability and Carbon Certification (ISCC EU); v. KZR INiG system; vi. REDcert; vii. Red Tractor Farm Assurance Combinable Crops & Sugar Beet Scheme (Red Tractor); viii. Roundtable of Sustainable Biofuels EU RED (RSB EU RED); ix. Scottish Quality Farm Assured Combinable Crops (SQC); x. Trade Assurance Scheme for Combinable Crops (TASCC); xi. Universal Feed Assurance Scheme (UFAS); xii. Sustainable Resources (SURE) voluntary scheme; xiii. Sustainable Biomass Program (SBP) xiv. Austrian Agricultural Certification Scheme (AACS) B. Both (i) and (ii) are complied with <ol style="list-style-type: none"> i. Biofuels, bioliquids and biomass fuels produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, wetlands or peatlands and forest biomass shall not derive from unsustainable production; examples of non-eligible land include protected areas, natural reserves, land certified by IUCN RLE; products certified by FSC® are eligible ii. The greenhouse gas emission savings from the use of biomass are at least 80% in relation to fossil fuel baseline²⁶ 2. Point 1 do not apply to cogeneration installations with a total rated thermal input below 2 MW and using gaseous biomass fuels 3. For anaerobic generation, the produced biogas is used directly for the generation of electricity or heat, or upgraded to bio-methane for injection in the natural gas grid, or used as vehicle or ship fuel or as feedstock in chemical industry
Santander-specific	<p>The activity complies with <u>one</u> of the following criteria:</p> <ol style="list-style-type: none"> 1. Feedstock subject to Santander ESCC Risk evaluation with a result of 2,8 points or above (for Brazil only – or any other country where an equivalent assessment can be performed), or 2. Feedstock is certified by ISCC Plus or RSB Biomass with: <ol style="list-style-type: none"> A. Lifecycle GHG emissions intensity is below 100g CO₂e/kWh or B. Lifecycle emissions at least 65% lower²⁷

²⁶ Fossil fuel baselines for biofuel production facilities: (i) Bioliquids (production of electricity) - 183 CO₂e/MJ; and (ii) Bioliquids (production of heat) - 80 CO₂e/MJ as per the EU Renewable Energy Directive II. For outermost regions and non-EU countries, the following baseline is applicable for electricity generation: 212 g CO₂e/MJ

²⁷ Fossil fuel baselines for biofuel production facilities: (i) Bioliquids (production of electricity) - 183 CO₂e/MJ; and (ii) Bioliquids (production of heat) - 80 CO₂e/MJ as per the EU Renewable Energy Directive II. For outermost regions and non-EU countries, the following baseline is applicable for electricity generation: 212 g CO₂e/MJ

A.1.25. Production of heat/cool/electricity using waste heat

Activity description

Construction and operation of facilities that produce heat/cool/electricity using waste heat.

Eligibility	Criteria
EU Taxonomy consistent	The activity complies with the following criteria: <ul style="list-style-type: none">• The activity produces heat/cool from waste heat.²⁸
Santander-specific	The activity complies with the following criteria: <ul style="list-style-type: none">• The activity produces electricity from waste heat.

A.1.26. Pre-commercial stages of advanced technologies to produce energy from nuclear processes with minimal waste from the fuel cycle

Activity description

Research, development, demonstration, and deployment of innovative electricity generation facilities, licensed by Member States' competent authorities in accordance with applicable national law, that produce energy from nuclear processes with minimal waste from the fuel cycle.

Eligibility	Criteria
EU Taxonomy consistent	The activity complies with the following criteria [LTO]: <ul style="list-style-type: none">• The project (including research, development, demonstration or deployment of innovative nuclear electricity generation facilities/ technologies) has a license to operate from an EU member state²⁹
Santander-specific	For non-EU countries, same as EU taxonomy consistent criteria excepting compliance with LTO

²⁸ See the [Stockholm Convention's Draft Guidance](#) on best available techniques and best environmental practices for the management of sites contaminated with persistent organic pollutants and [Minamata Convention's Guidance on the Management of Contaminated Sites](#).

²⁹ EU countries only; non-EU countries must comply with equivalent EU Taxonomy Technical Screening criteria including the Do No Significant Harm (DNSH) criteria; where there are references to EU specific directives, local standards may be substituted in place, if they demand at least the same output as the EU standards.

A.1.27. Construction and safe operation of new nuclear power plants, for the generation of electricity and/or heat, including for hydrogen production, using best-available technologies

Activity description

Construction and safe operation of new nuclear installations for which the construction permit has been issued by 2045 by Member States' competent authorities, in accordance with applicable national law, to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production (new nuclear installations), as well as their safety upgrades.

Eligibility	Criteria
EU Taxonomy consistent	The activity complies with the following criteria [LTO]: <ul style="list-style-type: none">• The construction and safe operation of new nuclear installations to produce electricity or process heat have a license to operate from an EU member state³⁰
Santander-specific	For non-EU countries, same as EU taxonomy consistent criteria excepting compliance with LTO

A.1.28. Electricity generation from nuclear energy in existing installations

Activity description

Modification of existing nuclear installations for the purposes of extension, authorized by Member States' competent authorities by 2040 in accordance with applicable national law, of the service time of safe operation of nuclear installations that produce electricity or heat from nuclear energy ('nuclear power plants').

Eligibility	Criteria
EU Taxonomy consistent	The activity complies with the following criteria [LTO]: <ul style="list-style-type: none">• The modification of existing nuclear installations project, for the purposes of extension, has a license to operate from an EU member state³¹
Santander-specific	For non-EU countries, same as EU taxonomy consistent criteria excepting compliance with LTO

³⁰ EU countries only; non-EU countries must comply with equivalent EU Taxonomy Technical Screening criteria including the Do No Significant Harm (DNSH) criteria; where there are references to EU specific directives, local standards may be substituted in place, if they demand at least the same output as the EU standards

³¹ EU countries only; non-EU countries must comply with equivalent EU Taxonomy Technical Screening criteria including the Do No Significant Harm (DNSH) criteria; where there are references to EU specific directives, local standards may be substituted in place, if they demand at least the same output as the EU standards

A.1.29. Electricity generation from fossil gaseous fuels

Activity description

Construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels. This activity does not include electricity generation from the exclusive use of renewable non-fossil gaseous and liquid fuels.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with <u>all</u> of the following criteria [LTO]:</p> <ol style="list-style-type: none">1. The activity meets either of the following criteria:<ol style="list-style-type: none">A. Both (i) and (ii) must be satisfied:<ol style="list-style-type: none">i. The lifecycle GHG emissions from the generation of electricity using fossil gaseous fuels are lower than 100 g CO2e/kWh. Lifecycle GHG emissions are calculated based on project-specific data, where available, using Recommendation 2013/179/EU or, alternatively, using ISO 14067:2018 or ISO 14064-1:2018; Quantified life-cycle GHG emissions are verified by an independent third party.ii. The CO2 leakage of carbon transport methods are limited to ≤ 0.5 %, and Carbon sequestration sites comply with internationally recognized standards (i.e., the activity complies with ISO 27914:2017), and Carbon capture technologies enable an economic activity like power generation and the production of hydrogen, steel, cement, and chemicals to operate within the allowed carbon intensity threshold in the technical criteria defined within the Manufacturing sector (e.g. Steel: hot metal = 1.331 tCO2e/t product; electric Arc Furnace (EAF) high alloy steel = 0.266 tCO2e/t product)B. Facilities for which the construction permit is granted by 31 December 2030 comply with all the following:<ol style="list-style-type: none">i. Direct GHG emissions of the activity are lower than 270g CO2e/kWh of the output energy, or annual direct GHG emissions of the activity do not exceed an average of 550kgCO2e/kW of the facility's capacity over 20 yearsii. The power to be replaced cannot be generated from renewable energy sources, based on a comparative assessment with the most cost-effective and technically feasible renewable alternative for the same capacity identified; the result of this comparative assessment is published and is subject to a stakeholder consultationiii. The activity replaces an existing high emitting electricity generation activity that uses solid or liquid fossil fuelsiv. The newly installed production capacity does not exceed the capacity of the replaced facility by more than 15%v. The facility is designed and constructed to use renewable and/or low-carbon gaseous fuels and the switch to full use of renewable and/or low-carbon gaseous fuels takes place by 31 December 2035, with a commitment and verifiable plan approved by the management body of the undertakingvi. The replacement leads to a reduction in emissions of at least 55 % GHG over the lifetime of the newly installed production capacity
Santander-specific	For non-EU countries, same as EU taxonomy consistent criteria excepting compliance with LTO

A.1.30. Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system

Activity description

Construction, refurbishment, and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels connected to efficient district heating and cooling. This activity does not include production of heat/cool in an efficient district heating from the exclusive use of renewable non-fossil gaseous and liquid fuels and biogas and bio-liquid fuels.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with <u>all</u> of the following criteria [LTO]:</p> <ol style="list-style-type: none"> 1. The activity meets either of the following criteria: <ol style="list-style-type: none"> A. Both (i) and (ii) must be satisfied: <ol style="list-style-type: none"> i. Life-cycle GHG emissions from the generation of heat/cool from gaseous fuels are lower than 100 g CO₂e/kWh, where lifecycle emissions are calculated on a project-specific basis using ISO 14067, ISO 14064, or Recommendation 2013/179/EU; Quantified life-cycle GHG emissions are verified by an independent third party. ii. The CO₂ leakage of carbon transport methods³³ are limited to ≤ 0.5 %, and Carbon sequestration sites comply with internationally recognized standards (i.e., the activity complies with ISO 27914:2017), and Carbon capture technologies enable an economic activity like power generation and the production of hydrogen, steel, cement, and chemicals to operate within the allowed carbon intensity threshold in the technical criteria defined within the Manufacturing sector (e.g. Steel: hot metal = 1.331 tCO₂e/t product; electric Arc Furnace (EAF) high alloy steel = 0.266 tCO₂e/t product) B. Facilities for which the construction permit is granted by 31 December 2030 comply with all the following³⁴ <ol style="list-style-type: none"> i. The thermal energy generated by the activity is used in an efficient district heating and cooling system as defined in Directive 2012/27/EU ('efficient district heating and cooling' means a district heating or cooling system using at least 50 % renewable energy, 50 % waste heat, 75 % cogenerated heat or 50 % of a combination of such energy and heat) ii. Direct GHG emissions of the activity are lower than 270 g CO₂e/kWh of the output energy; iii. The power and/or heat/cool to be replaced cannot be generated from renewable energy sources; iv. The activity replaces an existing high-emitting combined heat/cool and power generation activity, a separate heat/cool generation activity and/or a separate power generation activity that uses solid or liquid fossil fuels; v. The newly installed production capacity does not exceed the capacity of the replaced facility; vi. The facility is designed and constructed to use renewable and/or low-carbon gaseous fuels and the switch to full use of renewable and/or low-carbon gaseous fuels takes place by 31 December 2035 with a commitment and verifiable plan approved by the management body of the undertaking. vii. The replacement leads to a reduction in emissions of at least 55% GHG per kWh of output energy; viii. The refurbishment of the facility does not increase production capacity of the facility

³² As part of the EU's methane strategy, the Commission has since adopted a legislative proposal to reduce CH₄ emissions in the energy sector. It is currently under consideration by the EU co-legislators. The proposal covers oil, gas and coal and includes: Compulsory measurement, reporting, and verification (MRV) for all energy-related methane emissions in the EU, building on the United Nation's Oil and Gas Methane Partnership (OGMP 2.0) methodology for the oil and gas sectors

³³ Refers to the transport of CO₂ and installation of assets that increase the flexibility and improve the management of an existing network to transport CO₂

³⁴ Compliance with the criteria referred to in point (2) is verified by an independent third party; The independent third-party verifier each year, the verifier sends a report to the Commission, certifying the direct GHG emissions level, assessing if the emissions are on track to meet the average threshold over 20 years, and assessing if the activity is on track to meet the criteria for reduction in emissions

Eligibility	Criteria
	<p>2. The activity complies with either (a.) or (b.):³⁵</p> <ul style="list-style-type: none"> A. At construction, measurement equipment for monitoring of physical emissions, such as those from methane leakage, is installed or a leak detection and repair programme is introduced, or B. At operation, physical measurement of emissions is reported, and leak is eliminated
Santander-specific	For non-EU countries, same as EU taxonomy consistent criteria excepting compliance with LTO

A.1.31. High-efficiency co-generation of heat/cool and power from fossil gaseous fuels

Activity description

Construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels. This activity does not include high-efficiency co-generation of heat/cool and power from the exclusive use of renewable non-fossil gaseous and liquid fuels.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with <u>all</u> of the following criteria [LTO]:</p> <p>1. The activity meets either of the following criteria:</p> <ul style="list-style-type: none"> A. Both (i) and (ii) must be satisfied: <ul style="list-style-type: none"> i. The life-cycle GHG emissions from the co-generation of heat/cool and power from gaseous fuels are lower than 100 g CO₂e per 1 kWh of energy output of the co-generation, where lifecycle emissions are calculated on a project-specific basis using ISO 14067, ISO 14064, or Recommendation 2013/179/EU; Quantified life-cycle GHG emissions are verified by an independent third party. ii. The CO₂ leakage of carbon transport methods³⁶ are limited to ≤ 0.5 %, and Carbon sequestration sites comply with internationally recognized standards (i.e., the activity complies with ISO 27914:2017), and Carbon capture technologies enable an economic activity like power generation and the production of hydrogen, steel, cement, and chemicals to operate within the allowed carbon intensity threshold in the technical criteria defined within the Manufacturing sector (e.g. Steel: hot metal = 1.331 tCO₂e/t product; electric Arc Furnace (EAF) high alloy steel = 0.266 tCO₂e/t product) B. Facilities for which the construction permit is granted by 31 December 2030 comply with all the following³⁷ <ul style="list-style-type: none"> i. The activity achieves primary energy savings of at least 10% compared with the references to separate production of heat and electricity, calculated in line with EU Regulation ii. Direct GHG emissions of the activity are lower than 270 g CO₂e/kWh of the output energy; iii. The power and/or heat/cool to be replaced cannot be generated from renewable energy sources;

³⁵ As part of the EU's methane strategy, the Commission has since adopted a legislative proposal to reduce CH₄ emissions in the energy sector. It is currently under consideration by the EU co-legislators. The proposal covers oil, gas and coal and includes: Compulsory measurement, reporting, and verification (MRV) for all energy-related methane emissions in the EU, building on the United Nation's Oil and Gas Methane Partnership (OGMP 2.0) methodology for the oil and gas sectors

³⁶ Refers to the transport of CO₂ and installation of assets that increase the flexibility and improve the management of an existing network to transport CO₂

³⁷ Compliance with the criteria referred to in point (2) is verified by an independent third party; The independent third-party verifier each year, the verifier sends a report to the Commission, certifying the direct GHG emissions level, assessing if the emissions are on track to meet the average threshold over 20 years, and assessing if the activity is on track to meet the criteria for reduction in emissions

Eligibility	Criteria
	<ul style="list-style-type: none"> iv. The activity replaces an existing high-emitting combined heat/cool and power generation activity, a separate heat/cool generation activity and/or a separate power generation activity that uses solid or liquid fossil fuels; v. The newly installed production capacity does not exceed the capacity of the replaced facility; vi. The facility is designed and constructed to use renewable and/or low-carbon gaseous fuels and the switch to full use of renewable and/or low-carbon gaseous fuels takes place by 31 December 2035 with a commitment and verifiable plan approved by the management body of the undertaking. vii. The replacement leads to a reduction in emissions of at least 55% GHG per kWh of output energy; viii. The refurbishment of the facility does not increase production capacity of the facility; ix. The activity complies with either (a.) or (b.):³⁸ x. At construction, measurement equipment for monitoring of physical emissions, such as those from methane leakage, is installed or a leak detection and repair programme is introduced, or xi. At operation, physical measurement of emissions is reported and leak is eliminated
Santander-specific	For non-EU countries, same as EU taxonomy consistent criteria excepting compliance with LTO

A.1.32. Renewable Energy Procurement

Activity description

Procurement of energy coming from renewable sources.

Eligibility	Criteria
EU Taxonomy consistent	Not Applicable
Santander-specific	<ul style="list-style-type: none"> 1. Medium- to long- term physical or virtual power purchase agreements (PPAs or VPPAs). 2. Long-term bundled renewable energy certificates (RECs). <p>If not 100% of the energy is renewable, a pro-rata approach will be applied to determine the share of green allocation.</p>

A.1.33. Terminology definitions

Term	Definition
High biodiversity value land	<ul style="list-style-type: none"> • Land with high biodiversity value encompasses land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status: • Primary forest and other wooded land that show no clear signs of human activity and have undisturbed ecological processes • Highly biodiverse forest and other wooded land which is species-rich and not degraded, or has been identified as being highly biodiverse by the relevant competent authority • Areas designated: <ul style="list-style-type: none"> – By law or by the relevant competent authority for nature protection purposes; or

³⁸ As part of the EU's methane strategy, the Commission has since adopted a legislative proposal to reduce CH₄ emissions in the energy sector. It is currently under consideration by the EU co-legislators. The proposal covers oil, gas and coal and includes: Compulsory measurement, reporting, and verification (MRV) for all energy-related methane emissions in the EU, building on the United Nation's Oil and Gas Methane Partnership (OGMP 2.0) methodology for the oil and gas sectors

Term	Definition
	<ul style="list-style-type: none"> – For the protection of rare, threatened, or endangered ecosystems or species recognised by international agreements or included in lists drawn up by intergovernmental organisations or the International Union for the Conservation of Nature • Highly biodiverse grassland spanning more than one hectare, either: <ul style="list-style-type: none"> – Natural grassland that would remain as such without human intervention and maintains its natural species composition and ecological characteristics – Non-natural, namely grassland that would cease to be grassland in the absence of human intervention and that is species-rich and not degraded and has been identified as being highly biodiverse by the relevant competent authority • Accepted certifications for land with high biodiversity value: <ul style="list-style-type: none"> • Red List of Ecosystems (IUCN) • Natura 2000
Unsustainable production minimised	<p>In order to minimise the risk of using forest biomass derived from unsustainable production, either the country in which forest biomass was harvested has national or sub-national laws applicable in the area of harvest and monitoring and enforcement systems in place or there are management systems in place at forest sourcing area level, ensuring:</p> <ul style="list-style-type: none"> • The legality of harvesting operations; • Forest regeneration of harvested areas; • That areas designated by international or national law or by the relevant competent authority for nature protection purposes, including in wetlands and peatlands, are protected; • That harvesting is carried out considering maintenance of soil quality and biodiversity with the aim of minimizing negative impacts; and • That harvesting maintains or improves the long-term production capacity of the forest; <p>Accepted certifications for products coming from with sustainable production:</p> <ul style="list-style-type: none"> • FSC®
Primary energy savings provided by cogeneration production	<p>The amount of primary energy savings (PES) provided by cogeneration production shall be calculated on the basis of the following formula:</p> $PES = [1 - 1 / [(CHP H_n / Ref H_n) + (CHP E_n / Ref E_n)]] * 100\%$ <p>Where:</p> <ul style="list-style-type: none"> • CHP H_n is the heat efficiency of the cogeneration production defined as annual useful heat output divided by the fuel input used to produce the sum of useful heat output and electricity from cogeneration • Ref H_n is the efficiency reference value for separate heat production • CHP E_n is the electrical efficiency of the cogeneration production defined as annual electricity from cogeneration divided by the fuel input used to produce the sum of useful heat output and electricity from cogeneration. Where a cogeneration unit generates mechanical energy, the annual electricity from cogeneration may be increased by an additional element representing the amount of electricity which is equivalent to that of mechanical energy • Ref E_n is the efficiency reference value for separate electricity production
Sustainable anaerobic digestion	<ul style="list-style-type: none"> • Anaerobic digestion of sewage sludge, if: <ul style="list-style-type: none"> – Produced biogas is used directly for generation of electricity and/or heat, or upgrade to bio-methane for injection in natural gas grid, or used as vehicle fuel or feedstock in chemical industry; and – Methane leakage is controlled by a monitoring plan • Anaerobic digestion of biowaste, if (cumulative, in addition to the above): <ul style="list-style-type: none"> – Any digestate produced is used as a fertilizer/ soil improver; and – Biowaste is source segregated and collected separately; and – In dedicated treatment plants, constitutes major share of input feedstock (>=70%, measured in weight, annual average; co-digestion only eligible with minor share (30%) of advanced bioenergy feedstock)
Efficient district heating and cooling	Efficient district heating and cooling' means a district heating or cooling system using at least 50 % renewable energy, 50 % waste heat, 75 % cogenerated heat or 50 % of a combination of such energy and heat

TRANSPORTATION

A.2. Transport

This chapter aims to detail the various standards and conditions which are to be met for an investment related to the transport sector is deemed green / sustainable. The provided definitions can be divided into EU taxonomy and Santander-specific. With Santander-specific, a reference is made to the internal Santander standard for climate and sustainability.

All the activities mentioned in this chapter fall under the transport sector, as defined by the European Commission. Furthermore, all criteria have been validated by experts to ensure conformity with regulation.

Shown below is a table of the substantial contribution technical screening criteria (for EU Taxonomy consistent criteria only), for all the activities considered in this chapter.

Activity	Environmental classification	Mitigation	Adaptation	Water	Circular economy	Pollution	Biodiversity
Passenger interurban rail transport	EU Taxonomy	Transition	Own Performance				
	Santander-specific	Transition	Own Performance				
Freight rail transport	EU Taxonomy	Transition	Own Performance				
	Santander-specific	Transition	Own Performance				
Urban and suburban transport, road passenger transport	EU Taxonomy	Transition	Own Performance				
	Santander-specific	Transition	Own Performance				
Operation of personal mobility devices, cycle logistics	EU Taxonomy	Own Performance	Own Performance				
	Santander-specific	Own Performance	Own Performance				
Transport by motorbikes, passenger cars and light commercial vehicles	EU Taxonomy	Transition	Own Performance				
	Santander-specific	Transition	Own Performance				
Freight transport services by road	EU Taxonomy	Transition	Own Performance				
	Santander-specific	Transition	Own Performance				
Inland passenger water transport	EU Taxonomy	Transition	Own Performance				
	Santander-specific	Transition	Own Performance				
Inland freight water transport	EU Taxonomy	Transition	Own Performance				
	Santander-specific	Transition	Own Performance				
Retrofitting of inland water passenger and freight transport	EU Taxonomy	Transition	Own Performance				

Activity	Environmental classification	Mitigation	Adaptation	Water	Circular economy	Pollution	Biodiversity
Sea and coastal freight water transport, vessels for port operations and auxiliary activities	EU Taxonomy Santander-specific	Transition Transition	Own Performance Own Performance				
Sea and coastal passenger water transport	EU Taxonomy	Transition	Own Performance				
Retrofitting of sea and coastal freight and passenger water transport	EU Taxonomy	Transition	Own Performance				
Infrastructure for personal mobility, cycle logistics	EU Taxonomy Santander-specific	Enabling Enabling	Own Performance Own Performance				
Infrastructure for rail transport	EU Taxonomy Santander-specific	Enabling Enabling	Own Performance Own Performance				
Infrastructure enabling low-carbon road transport and public transport	EU Taxonomy	Enabling					
Infrastructure enabling low carbon water transport	EU Taxonomy Santander-specific	Enabling Enabling	Own Performance Own Performance				
Low carbon airport infrastructure	EU Taxonomy	Enabling					
Leasing of aircraft	EU Taxonomy	Transition					
Passenger and freight air transport	EU Taxonomy Santander-specific	Transition Enabling					
Air transport ground handling operations	EU Taxonomy		Own Performance				
Hydrogen powered-vehicles	Santander-specific	Enabling					

A.2.1. Passenger interurban rail transport

Activity description

Purchase, financing, rental, leasing and operation of passenger transport using railway rolling stock on mainline networks, spread over an extensive geographic area, passenger transport by interurban railways and operation of sleeping cars or dining cars as an integrated operation of railway companies.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with <u>one</u> of the following criteria:</p> <ol style="list-style-type: none">1. The trains and passenger coaches have zero direct (tailpipe) CO2 emissions2. The trains and passenger coaches have zero direct (tailpipe) CO2 emission when operated on a track with necessary infrastructure, and use a conventional engine where such infrastructure is not available (bimode)
Santander-specific	<p>The activity complies with the following criteria:</p> <ul style="list-style-type: none">• Trains with less than 50g CO2 per km until the end of 2025

A.2.2. Freight rail transport

Activity description

Purchase, financing, leasing, rental and operation of freight transport on mainline rail networks as well as short line freight railroads.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with <u>all</u> of the following criteria:</p> <ol style="list-style-type: none">1. The activity complies with one or both of the following criteria:<ol style="list-style-type: none">A. The trains and wagons have zero direct tailpipe CO2 emissionB. The trains and wagons have zero direct tailpipe CO2 emission when operated on a track with necessary infrastructure and use a conventional engine where such infrastructure is not available (bimode)2. The trains and wagons are not dedicated to the transport of fossil fuels
Santander-specific	<p>The activity complies with <u>all</u> of the following criteria:</p> <ol style="list-style-type: none">1. Until 2029: Trains (including hybrids) <25g CO2 per tone-km (freight)<ol style="list-style-type: none">A. From 2030-2049, this is 21gB. From 2050, this is 18g2. The primary purpose (more than 25% share) should not be the transportation of fossil fuel freight (expressed in mass)

A.2.3. Urban and suburban transport, road passenger transport

Activity description

Purchase, financing, leasing, rental and operation of urban and suburban transport vehicles for passengers and road passenger transport.

Eligibility	Criteria
EU Taxonomy consistent	<p>The economic activities include scheduled long-distance bus services, charters, excursions and other occasional coach services, airport shuttles (including within airports), operation of school buses and buses for the transport.</p> <p>The activity complies with the <u>one</u> of following criteria:</p> <ol style="list-style-type: none">1. The activity provides urban or suburban passenger transport and its direct (tailpipe) CO2 emissions are zero2. Until 31 December 2025, the activity provides interurban passenger road transport using buses or shuttles that have a type of bodywork classified as 'CA' (single-deck vehicle), 'CB' (double-deck vehicle), 'CC' (single-deck articulated vehicle) or 'CD' (double-deck articulated vehicle), that comply with the latest EURO VI standard or equivalent, where such standard is not available, the direct CO2 emissions of the vehicles are zero [LTO]
Santander-specific	<p>Criteria for both Colombia & Mexico, where the economic activities in this category also include scheduled long-distance bus services, charters, excursions and other occasional coach services, airport shuttles (including within airports), operation of school buses and buses for the transport.</p> <p>The activity complies with <u>one</u> of the following criteria:</p> <ol style="list-style-type: none">1. New fleet: direct emissions are less than 20 gCO2e/pkm until 2025 (not eligible from then)2. Fleet renewal: the direct emissions of the new fleet are less than 30 gCO2e/pkm3. Renewal and disintegration: direct emissions from the new fleet are less than 40 gCO2e/pkm and4. The eligible project includes the physical disintegration of the refurbished vehicle5. The criteria are based on actual occupancy (passenger-km) and not on the capacity offered (seat-km)

A.2.4. Operation of personal mobility devices, cycle logistics

Activity description

Selling, purchasing, financing, leasing, renting and operation of personal mobility or transport devices where the propulsion comes from the physical activity of the user, from a zero-emissions motor, or a mix of zero-emissions motor and physical activity. This includes the provision of freight transport services by (cargo) bicycles.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with <u>one</u> of the following criteria:</p> <ul style="list-style-type: none">• Bikes, electric bikes (without license requirement) or other form of self-propulsion mobility devices, with most of the bundle from the device instead of supplemental equipment• The personal mobility devices are allowed to be operated on the same public infrastructure as bikes or pedestrians [LTO]
Santander-specific	<p>The activity complies with the following criteria:</p> <ul style="list-style-type: none">• Any vehicle or equipment purchased from a specialist cycle shop

A.2.5. Transport by motorbikes, passenger cars and light commercial vehicles

Activity description

Purchase, financing, renting, leasing and operation of vehicles designated as passenger cars, light commercial vehicles or motorbikes.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with <u>all</u> of the following criteria:</p> <ol style="list-style-type: none">1. Passenger cars (no more than 8 seats in addition to the driver's seat) and light commercial vehicles (maximum mass not exceeding 3.5 tones):<ol style="list-style-type: none">A. Until the end of 2025 with less than 50g CO2 per kmB. From January 2026, specific emissions of CO2, are zero2. For motorbikes (e.g., mopeds, quads, and minicars) (with license plate) (with less than four wheels and some lightweight four-wheelers), the tailpipe CO2 emissions equal to 0 g CO2e/km
Santander-specific	<p>The activity complies with <u>one</u> of the following criteria:</p> <ol style="list-style-type: none">1. A carbon intensity factor of 75g CO2/km or less, down to <50g CO2/km in 2026 (for EU only), or2. Zero direct emissions vehicles not intended for road, such as cranes and forklifts

A.2.6. Freight transport services by road

Activity description

Purchase, financing, leasing, rental and operation of vehicles designated as light commercial vehicles and commercial trucks, for freight transport services by road.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with <u>all</u> of the following criteria:</p> <ol style="list-style-type: none">1. The vehicle used for the carriage of goods complies with one of the following criteria:<ol style="list-style-type: none">A. Light commercial vehicles (maximum mass not exceeding 3.5 tonnes) have zero direct (tailpipe) CO2 emissionsB. Commercial trucks, not exceeding 7.5 tonnes of maximum laden mass, are 'zero-emission heavy-duty vehicles' (engine that emits less than 1 g CO2/kWh or 1g CO2/km)C. Commercial trucks, exceeding 7.5 tonnes of maximum laden mass, are considered 'zero-emission heavy-duty vehicles' (without an internal combustion engine, or with an internal combustion engine that emits less than 1 g CO2/kWh or 1g CO2/km) or (when technologically and economically not feasible to comply), 'low emission heavy-duty vehicles' (specific CO2 emissions of less than half of the reference CO2 emissions of all vehicles in the vehicle sub-group to which the heavy-duty vehicle belongs)2. Vehicles are not dedicated to the transport of fossil fuels
Santander-specific	<p>The activity complies with the following criteria:</p> <ul style="list-style-type: none">• Light commercial vehicle (maximum mass not 3.5 tonnes) (e.g., hybrid vans) <75g /km• Commercial trucks (maximum mass over 3.5 tonnes) 50% below each sub-group threshold

A.2.7. Inland passenger water transport

Activity description

Purchase, financing, leasing, rental and operation of passenger vessels on inland waters, involving vessels that are not suitable for sea transport.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with <u>one</u> of the following criteria [LTO]:</p> <ol style="list-style-type: none">1. The vessels have zero direct (tailpipe) CO2 emissions (e.g., solar, electric or hydrogen powered boats, water transport vessels)2. Only until 31 December 2025: Hybrid and dual fuel vessels derive at least 50% of their energy from zero direct (tailpipe) CO2 emission fuels or plug-in power for their normal operation3. Where technologically and economically not feasible to comply with point (a), they operate below a greenhouse gas intensity of 76,4 g CO2e/MJ from 1 January 2026 until 31 December 2029
Santander-specific	<p>The activity complies with <u>one</u> of the following criteria:</p> <ol style="list-style-type: none">1. Only until 31 December 2025: Hybrid and dual fuel vessels derive at least 50% of their energy from zero direct (tailpipe) CO2 emission fuels or plug-in power for their normal operation2. Their direct emissions per tonne-km are 50% lower than the average benchmark for HDVs (Heavy Duty CO2 Regulation)3. They are 10% more efficient than a global standard (Efficiency Design Index (EEDI)).4. They operate below <75g CO2/p-km (passenger-kilometre)

A.2.8. Inland freight water transport

Activity description

Purchase, financing, leasing, rental and operation of freight vessels on inland waters, involving vessels that are not suitable for sea transport.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with all of the following criteria:</p> <ol style="list-style-type: none">1. The activity complies with one or more of the following criteria:<ol style="list-style-type: none">A. The vessels have zero direct (tailpipe) CO₂ emission (e.g., solar, electric or hydrogen powered boats, water transport vessels)B. Until December 31, 2025, the vessels must have direct CO₂ emissions per tonne kilometre, calculated (or estimated using the Energy Efficiency Operational Indicator, 50% lower than the average reference value for emissions of CO₂ defined for heavy duty vehicles (subgroup 5-LH, tractors with axle configuration 4x2 and maximum laden mass > 16 tonnes, sleeper cabin with >= 265kW of engine power)C. They operate below a greenhouse gas intensity of 76,4 g CO₂e/MJ from 1 January 2026 until 31 December 20292. The vessels are not dedicated to the transport of fossil fuels
Santander-specific	<p>The activity complies with any one of (1.), (2.) or (3.):</p> <ol style="list-style-type: none">1. Solar, electric or hydrogen-powered boats2. Motorless sail boats3. Water transport vessels (passengers & freight) that have zero direct (tailpipe) CO₂ emissions <p>AND Cargo ships, oil tankers or vessels should not be transporting more than 25% share (in mass) coal and oil. Tank containers should not transport fossil fuels or fossil fuels blended with alternative fuels³⁹</p>

A.2.9. Retrofitting of inland water passenger and freight transport

Activity description

Retrofit and upgrade of vessels for transport of freight or passengers on inland waters, involving vessels that are not suitable for sea transport.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with all of the following criteria:</p> <ol style="list-style-type: none">1. The retrofitting activity achieves one or more of the following:<ol style="list-style-type: none">A. The inland passenger vessel's fuel consumption must be reduced by at least 15% per unit of energy per complete journeyB. Reduces fuel consumption of the inland freight vessel by at least 15% expressed per unit of energy per tonne kilometre2. Vessels retrofitted or upgraded are not dedicated to transport of fossil fuels
Santander-specific	Not Applicable

³⁹ 6 types at the moment: Electricity, Hydrogen, Biofuels, Synthetic and paraffinic fuels, Natural gas, including biomethane, in gaseous form (compressed natural gas (CNG)), Liquefied Natural gas (liquefied natural gas (LNG)), Liquefied petroleum gas (LPG).

A.2.10. Sea and coastal freight water transport, vessels for port operations and auxiliary activities

Activity description

Purchase, financing, chartering (with or without crew) and operation of vessels designed and equipped for transport of freight or for the combined transport of freight and passengers on sea or coastal waters, whether scheduled or not. Purchase, financing, renting and operation of vessels required for port operations and auxiliary activities, such as tugboats, mooring vessels, pilot vessels, salvage vessels and ice-breakers.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with <u>all</u> of the following criteria:</p> <ol style="list-style-type: none"> 1. The activity complies with one or more of the following criteria <ul style="list-style-type: none"> A. The vessels have zero direct (tailpipe) CO₂ emission B. Until 31 December 2025, hybrid and dual fuel vessels derive at least 25 % of their energy from zero direct (tailpipe) CO₂ emission fuels or plug-in power for their normal operation at sea and in ports C. Where technologically and economically not feasible to comply with the criterion in point (a), until 31 December 2025, and only where it can be proved that the <u>heavy-duty vehicles</u> (vessels) are used exclusively for operating coastal and short sea services designed to enable modal shift of freight currently transported by land to sea, 50 % lower than the average reference CO₂ emissions value defined for heavy duty vehicles (sub-group 5-LH) (tractors with axle configuration 4x2 and maximum laden mass > 16 tonnes, sleeper cabin with >= 265kW of engine power) in accordance with local regulation on emissions reporting D. Where technologically and economically not feasible to comply with the criterion in point (a), until 31 December 2025, the vessels have an attained EEDI (Footnote [T.2]) value 10 % below the EEDI requirements applicable on 1 April 2022 if the vessels are able to run on zero direct (tailpipe) CO₂ emission fuels or on fuels from renewable sources E. Where technologically and economically not feasible to comply with point (a), from 1 January 2026, the vessels that are able to run on zero direct (tailpipe) CO₂ emission fuels or on <u>fuels from renewable sources</u> have an attained EEDI value equivalent to reducing the EEDI reference line by at least 20% below the EEDI requirements applicable on 1 April 2022, and: <ul style="list-style-type: none"> i. Are able to plug-in at berth ii. For gas-fuelled ships, demonstrate the use of state-of-the-art measures and technologies to mitigate methane slippage emissions F. Where technologically and economically not feasible to comply with the criterion in point (a), from 1 January 2026, in addition to an attained Energy Efficiency Existing Ship Index (EEXI) (Footnote [T.3]) value equivalent to reducing the EEDI reference line by at least 10 % below the EEXI requirements applicable on 1 January 2023, the yearly average greenhouse gas bellow 76,4 g CO₂e/MJ from 1 January 2026 until 31 December 2029 2. Vessels are not dedicated to the transport of fossil fuels
Santander-specific	<p>The activity complies with <u>one</u> of the following criteria:</p> <ol style="list-style-type: none"> 1. Solar, electric or hydrogen-powered boats 2. Motorless sail boats 3. Water transport vessels (passengers & freight) that have zero direct (tailpipe) CO₂ emissions <p>AND Cargo ships, oil tankers or vessels should not be transporting more than 25% share (in mass) coal and oil. Tank containers should not transport fossil fuels or fossil fuels blended with alternative fuels⁴⁰</p>

⁴⁰ Types of alternative fuels at the moment: Hydrogen, Biofuels, Synthetic and paraffinic fuels, Natural gas, including biomethane, in gaseous form (compressed natural gas (CNG)), Liquefied Natural gas (liquefied natural gas (LNG)), Liquefied petroleum gas (LPG).)

A.2.11. Sea and coastal passenger water transport

Activity description

Purchase, financing, chartering (with or without crew) and operation of vessels designed and equipped for performing passenger transport, on sea or coastal waters, whether scheduled or not. The economic activities in this category include operation of ferries, water taxies and excursions, cruise or sightseeing boats.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with one of the following criteria:</p> <ol style="list-style-type: none">1. The vessels have zero direct (tailpipe) CO₂ emissions; (e.g., solar, electric or hydrogen-powered boats, or, motorless sail boats), or2. Where technologically and economically not feasible to comply with the criterion in point (a), until 31 December 2025, hybrid and dual fuel vessels derive at least 25 % of their energy from zero direct (tailpipe) CO₂ emission fuels or plug-in power for their normal operation at sea and in ports, or3. Where technologically and economically not feasible to comply with the criterion in point (a), until 31 December 2025, the vessels have an attained Energy Efficiency Design Index (EEDI) (Footnote [T.2]) value 10% below the EEDI requirements applicable on 1 April 2022, if the vessels are able to run on zero direct (tailpipe) emission fuels or on fuels from renewable sources, or4. Where technologically and economically not feasible to comply with point (a), from 1 January 2026, the vessels that are able to run on zero direct (tailpipe) emission fuels or on fuels from renewable sources have an attained EEDI value equivalent to reducing the EEDI reference line by at least 20% below the EEDI requirements applicable on 1 April 2022, and:<ol style="list-style-type: none">A. Are able to plug-in at berthB. For gas-fueled ships, demonstrate the use of state-of-the-art measures and technologies to mitigate methane slippage emissions
Santander-specific	Not Applicable

A.2.12. Retrofitting of sea and coastal freight and passenger water transport

Activity description

Retrofit and upgrade of vessels designed and equipped for the transport of freight or passengers on sea or coastal waters, and of vessels required for port operations and auxiliary activities, such as tugboats, mooring vessels, pilot vessels, salvage vessels and ice-breakers.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with one of the following criteria:</p> <ol style="list-style-type: none">1. The retrofitting activity reduces fuel consumption of the vessel by at least 15 % expressed in grams of fuel per deadweight tons per nautical mile for freight vessels, or per gross tonnage per nautical mile for passenger vessels, as demonstrated by computational fluid dynamics (CFD), tank tests or similar engineering calculations or2. Enables the vessels to attain Energy Efficiency Existing Ships Index (EEXI) value at least 10 % below the EEXI requirements applicable on 1 January 2023 and if the vessels are able to run on zero direct (tailpipe) emission fuels or on fuels from renewable sources, and have the ability to plug-in at berth and are equipped with plug-in power technology
Santander-specific	Not Applicable

A.2.13. Infrastructure for personal mobility, cycle logistics

Activity description

Construction, modernisation, maintenance and operation of infrastructure for personal mobility, including the construction of roads, motorways bridges and tunnels and other infrastructure that are dedicated to pedestrians and bicycles, with or without electric assist.

Eligibility	Criteria
EU Taxonomy consistent	The activity complies with the following criteria: <ul style="list-style-type: none">• Infrastructure that is constructed and operated is dedicated to personal active personal mobility or cycle logistics: (e.g., walking, cycling, pavements, bicycle parking, bike lanes, electrical charging and hydrogen refueling installations for personal mobility devices) [LTO]
Santander-specific	For non-EU countries, same as EU taxonomy consistent criteria excepting compliance with LTO

A.2.14. Infrastructure for rail transport

Activity description

Construction, modernisation, operation and maintenance of railways and subways as well as bridges and tunnels, stations, terminals, rail service facilities, safety and traffic management systems including the provision of architectural services, engineering services, drafting services, building inspection services and surveying and mapping services and the like as well as the performance of physical, chemical and other analytical testing of all types of materials and products.

Eligibility	Criteria
EU Taxonomy consistent	The activity complies with <u>all</u> of the following criteria: <ol style="list-style-type: none">1. The activity complies with one of the following criteria:<ol style="list-style-type: none">A. Electrified trackside infrastructure or subsystems (e.g., new or existing infrastructure, trackside control-command and signalling, rolling stock, fit for use by zero tailpipe CO2 within 10 years, infrastructures or subsystems not part of the TEN-T network until 2030)B. Infrastructure and installations dedicated to transhipping freight or passengers transportationC. Digital tools to enable an increase in efficiency, capacity or energy saving2. The infrastructure is not dedicated to the transport or storage of fossil fuels
Santander-specific	The activity complies with <u>all</u> of the following criteria: <ol style="list-style-type: none">1. Development or improvement of railway transport infrastructure, and2. The primary purpose (more than 25% share) should not be the transportation of fossil fuel freight (expressed in mass)

A.2.15. Infrastructure enabling low-carbon road transport and public transport

Activity description

Construction, modernisation, maintenance and operation of infrastructure that is required for zero tailpipe CO2 operation of zero-emissions road transport, as well as infrastructure dedicated to transhipment, and infrastructure required for operating urban transport.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with all of the following criteria:</p> <ol style="list-style-type: none">1. The activity complies with one or more of the following criteria:<ol style="list-style-type: none">A. The infrastructure is dedicated to the operation of vehicles with zero tailpipe CO2 emissions: electric charging points, electricity grid connection upgrades, hydrogen fuelling stations or electric road systems (ERS)B. The infrastructure and installations are dedicated to transhipping freight between the modes: terminal infrastructure and superstructures for loading, unloading and transhipment of goodsC. The infrastructure and installations are dedicated to urban and suburban public passenger transport, including associated signalling systems for metro, tram and rail systems2. The infrastructure is not dedicated to the transport or storage of fossil fuels
Santander-specific	Not Applicable

A.2.16. Infrastructure enabling low carbon water transport

Activity description

Construction, modernisation, operation and maintenance of infrastructure that is required for zero tailpipe CO2 operation of vessels or the port's own operations, as well as infrastructure dedicated to transhipment.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with <u>all</u> of the following criteria:</p> <ol style="list-style-type: none">1. The activity complies with one or more of the following criteria:<ol style="list-style-type: none">A. The infrastructure is dedicated to the operation of vessels with zero direct (tailpipe) CO2 emissions: electricity charging, hydrogen-based refuellingB. The infrastructure is dedicated to the provision of shore-side electrical power to vessels at berthC. The infrastructure is dedicated to the performance of the port's own operations with zero direct (tailpipe) CO2 emissionsD. The infrastructure and installations are dedicated to transhipping freight between the modes: terminal infrastructure and superstructures for loading, unloading and transhipment of goods2. The infrastructure is not dedicated to the transport or storage of fossil fuels

Eligibility	Criteria
Santander-specific	<p>The activity complies with all of the following criteria:</p> <ol style="list-style-type: none"> 1. The activity complies with one or more of the following criteria (a)-(d): <ul style="list-style-type: none"> A. The infrastructure is dedicated to the operation of vessels with zero direct (tailpipe) CO2 emissions: electricity charging, hydrogen-based refuelling B. The infrastructure is dedicated to the provision of shore-side electrical power to vessels at berth C. The infrastructure is dedicated to the performance of the port's own operations with zero direct (tailpipe) CO2 emissions D. The infrastructure and installations are dedicated to transhipping freight between the modes: terminal infrastructure and superstructures for loading, unloading and transhipment of goods 2. The primary purpose (more than 25% share) should not be dedicated to the transport or storage of fossil fuels (expressed in mass)

A.2.17. Low carbon airport infrastructure

Activity description

Construction, modernisation, maintenance and operation of infrastructure that is required for zero tailpipe CO2 operation of aircraft or the airport's own operations, as well as for provision of fixed electrical ground power and preconditioned air to stationary aircraft.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with one or more of the following criteria:</p> <ol style="list-style-type: none"> 1. The infrastructure is dedicated to one of the following criteria: <ul style="list-style-type: none"> A. The operation of aircraft with zero tailpipe CO2 emissions: electricity charging and hydrogen refuelling B. The provision of fixed electrical ground power and preconditioned air to stationary aircrafts C. The zero direct emissions performance of the airport's own operations: electric charging points, electricity grid connection upgrades, hydrogen refuelling stations D. Dedicated to transhipping freight with rail and water transport: terminal infrastructure and superstructures for loading, unloading and transhipment of goods 2. The infrastructure is not dedicated to the transport or storage of fossil fuels
Santander-specific	Not Applicable

A.2.18. Leasing of aircraft

Activity description

Renting and leasing of aircraft and aircraft parts and equipment.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with one of the following criteria:</p> <ol style="list-style-type: none">1. The aircraft with zero direct (tailpipe) CO2 emissions;2. The aircraft delivered before January 2024, complying with Manufacturing of aircraft criteria ((i) until 31 December 2027, for take-off mass between 5.7 t - 60 t, 11% below ICAO standards; for 60 t - 150 t, 2% below ICAO; for >150 t, 1.5% below ICAO) and (ii) from 1 January 2028 to 31 December 2032, certified to operate on 100 % blend of sustainable aviation fuels.)⁴¹3. The aircraft delivered after January 2024 complying with Manufacturing of aircraft criteria, and with the commitment that another non-compliant aircraft in the fleet is permanently withdrawn within 6 months of delivery of the compliant aircraft <p>The lessor ensures that aircraft is operated on sustainable aviation fuels (SAF), corresponding to 15% in 2030 and increased 2% annually thereafter.</p>
Santander-specific	Not Applicable

A.2.19. Passenger and freight air transport

Activity description

Purchase, financing and operation of aircraft including transport of passengers and goods.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity is performed using one of the following:</p> <ol style="list-style-type: none">1. The aircraft with zero direct (tailpipe) CO2 emissions;2. The aircraft delivered before January 2024, complying with Manufacturing of aircraft criteria ((i) until 31 December 2027, for take-off mass between 5.7 t - 60 t, 11% below ICAO standards; for 60 t - 150 t, 2% below ICAO; for >150 t, 1.5% below ICAO) and (ii) from 1 January 2028 to 31 December 2032, certified to operate on 100 % blend of sustainable aviation fuels.)⁴²3. The aircraft delivered after January 2024 complying with Manufacturing of aircraft criteria, and with the commitment that another non-compliant aircraft in the fleet is permanently withdrawn within 6 months of delivery of the compliant aircraft4. From 1 January 2030, operated with a share of sustainable aviation fuels (SAF), corresponding to 15 % in 2030 and increased by 2% annually thereafter5. The aircraft operated with a minimum share of sustainable aviation fuels (SAF), corresponding to 5 % SAF in 2022, with the percentage of SAF increasing by 2% annually thereafter
Santander-specific	<p>The activity complies with all of the following criteria:</p> <ol style="list-style-type: none">1. Hybrid planes for freight transport or small distances2. The primary purpose (more than 25% share) should not be the transportation of fossil fuel freight (expressed in mass)

⁴¹ Activity complies with (i) until 31 December 2027, for take-off mass between 5.7 t - 60 t, 11% below ICAO standards; for 60 t - 150 t, 2% below ICAO; for >150 t, 1.5% below ICAO and (ii) from 1 January 2028 to 31 December 2032, certified to operate on 100 % blend of sustainable aviation fuels

⁴² Activity complies with (i) until 31 December 2027, for take-off mass between 5.7 t - 60 t, 11% below ICAO standards; for 60 t - 150 t, 2% below ICAO; for >150 t, 1.5% below ICAO and (ii) from 1 January 2028 to 31 December 2032, certified to operate on 100 % blend of sustainable aviation fuels

A.2.20. Air transport ground handling operations

Activity description

Manufacture, repair, maintenance, overhaul, retrofitting, design, repurposing and upgrade, purchase, financing, renting, leasing and operation of equipment and service activities incidental to air transportation (ground handling), including ground services activities at airports and cargo handling, including loading and unloading of goods from aircraft.

Eligibility	Criteria
EU Taxonomy consistent	The activity complies with <u>all</u> of the following criteria: 1. Ground handling vehicles' direct (tailpipe) CO2 emissions are zero 2. The propulsion of all ground handling devices and equipment comes from a zero-emissions motor
Santander-specific	Not Applicable

A.2.21. Hydrogen powered-vehicles

Activity description

Hydrogen powered-vehicles

Eligibility	Criteria
EU Taxonomy consistent	Not Applicable
Santander-specific	The activity complies with <u>all</u> of the following criteria: 1. Hydrogen-powered vehicles (including green and blue hydrogen) The primary purpose (more than 25% share) should not be the transportation of fossil fuel freight (expressed in mass)

A.2.22. Terminology definitions

Term	Definition
Zero direct CO2 emissions from vehicles	<p>EURO VI standards, set specific emission thresholds per vehicle type, including limit values for (CO, THC, NMHC, CH4, NOx, NH3, PM mass and PM number, for both positive and compression ignition. Regulated under Regulation (EC) No 595/2009.</p> <p>Additionally, Regulation (EU) No 582/2011 defines emissions limit for both compression and ignition engines:</p> <ul style="list-style-type: none"> • Compression-ignition engines: <ul style="list-style-type: none"> – Phase-in period NOx(1500), PM Mass (25) , expressed in mg/KWh – General requirements NOx(1200), PM Mass (25) , expressed in mg/KWh • For all gas fuelled engines and positive-ignition engines: <ul style="list-style-type: none"> – Phase-in period NOx(1500), expressed in mg/KWh – General requirements NOx(1200), expressed in mg/KWh
Heavy-duty vehicles	<p>Defines reference CO2 emissions of vehicles in each sub-group to which heavy-duty vehicle belongs (below thresholds attached for reference). Cabin types include All, Day Cab and Sleeper Cabin, engine power include < 170kW, <265kW, and greater than 265kW.</p> <ol style="list-style-type: none"> 1. Sub-group // g/tkm <ol style="list-style-type: none"> A. 4-UD // 307,23 B. 4-RD // 197,16 C. 4-LH // 105,96 D. 5-RD // 84,00 E. 5-LH // 56,60 F. 9-RD // 110,98 G. 9-LH // 65,16 H. 10-RD // 83,26 I. 10-LH // 58,26 2. Heavy-duty-vehicle description: <ol style="list-style-type: none"> A. 4-UD: rigid lorries with axle configuration 4x2 and technically permissible maximum laden mass>16t, All cabin type, <170 kW engine power B. 4-RD: rigid lorries with axle configuration 4x2 and technically permissible maximum laden mass>16t, day cab & >=170 kW; sleeper cab between 170kW and 265 kW C. 4-LH: rigid lorries with axle configuration 4x2 and technically permissible maximum laden mass>16t, sleeper cab between >= 265 kW D. 9-RD: rigid lorries with axle configuration 6x2, day cab E. 9-LH: rigid lorries with axle configuration 6x2, sleeper cab F. 5-RD: tractors with axle configuration 4x2 and technically permissible maximum laden mass>16t, day cap all; sleep cab <265 kW G. 5-LH: tractors with axle configuration 4x2 and technically permissible maximum laden mass>16t, sleeper cab >= 265 kW H. 10-RD: tractors with axle configuration 6x2, day cab I. 10-LH: tractors with axle configuration 6x2, sleeper cab 3. Sub-group // g/tkm <ol style="list-style-type: none"> A. 4-UD // 307,23 B. 4-RD // 197,16 C. 4-LH // 105,96 D. 5-RD // 84,00 E. 5-LH // 56,60 F. 9-RD // 110,98 <p>Defines reference CO2 emissions of vehicles in each sub-group to which heavy-duty vehicle belongs (below thresholds attached for reference). Cabin types include All, Day Cab and Sleeper Cabin, engine power include < 170kW, <265kW, and greater than 265kW.</p>

Term	Definition
	<p>G. 9-LH // 65,16</p> <p>H. 10-RD // 83,26</p> <p>I. 10-LH // 58,26</p> <p>4. Heavy-duty-vehicle description</p> <p>A. 4-UD: rigid lorries with axle configuration 4x2 and technically permissible maximum laden mass>16t, All cabin type, <170 kW engine power</p> <p>B. 4-RD: rigid lorries with axle configuration 4x2 and technically permissible maximum laden mass>16t, day cab & >=170 kW; sleeper cab between 170kW and 265 kW</p> <p>C. 4-LH: rigid lorries with axle configuration 4x2 and technically permissible maximum laden mass>16t, sleeper cab between >= 265 kW</p> <p>D. 9-RD: rigid lorries with axle configuration 6x2, day cab</p> <p>E. 9-LH: rigid lorries with axle configuration 6x2, sleeper cab</p> <p>F. 5-RD: tractors with axle configuration 4x2 and technically permissible maximum laden mass>16t, day cap all; sleep cab <265 kW</p> <p>G. 5-LH: tractors with axle configuration 4x2 and technically permissible maximum laden mass>16t, sleeper cab >= 265 kW</p> <p>H. 10-RD: tractors with axle configuration 6x2, day cab</p> <p>I. 10-LH: tractors with axle configuration 6x2, sleeper cab</p>
	<p>Yearly average greenhouse gas intensity of the energy used on-board by a ship or a company's fleet during a reporting period does not exceed the following limits:</p> <ul style="list-style-type: none"> • 76,4 g CO2e/MJ from 1 January 2026 until 31 December 2029 • 61,1 g CO2e/MJ from 1 January 2030 until 31 December 2034 • 45,8 g CO2e/MJ from 1 January 2035 until 31 December 2039 • 30,6 g CO2e/MJ from 1 January 2040 until 31 December 2044 • 15,3 g CO2e/MJ from 1 January 2045 until 31 December 2049 • 0 g CO2e/MJ from 1 January 2050
Energy Efficiency Design Index	<p>The Energy Efficiency Design Index (EEDI) is a mandatory measure that promotes the use of energy efficient (less polluting) equipment and engines on new build ships. It measures the efficiency of a ship in its as designed condition (straight from the yard) in ideal conditions</p> <p>The EEDI was adopted as a mandatory measure by the International Maritime Organization (IMO) in 2011. The EEDI promotes the use of more energy efficient (less polluting) design features, equipment and engines on new ships and on ships undergoing a major conversion</p> <p>The EEDI allows ship designers and builders to choose the technologies needed to ensure ships meet set energy efficiency levels, which increase incrementally every five years. The incremental adjustment of the EEDI encourages continued innovation and technical development to improve the efficiency of ships from the design phase</p>
Greenhouse gas intensity for ships or a company's fleet	<p>Yearly average greenhouse gas intensity of the energy used on-board by a ship or a company's fleet during a reporting period does not exceed the following limits:</p> <ul style="list-style-type: none"> • 76,4 g CO2e/MJ from 1 January 2026 until 31 December 2029 • 61,1 g CO2e/MJ from 1 January 2030 until 31 December 2034 • 45,8 g CO2e/MJ from 1 January 2035 until 31 December 2039 • 30,6 g CO2e/MJ from 1 January 2040 until 31 December 2044 • 15,3 g CO2e/MJ from 1 January 2045 until 31 December 2049 • 0 g CO2e/MJ from 1 January 2050

Term	Definition
Fossil fuels from alternative/renewable sources	<p>Fuel-based sources meet the following technical screening criteria:</p> <ul style="list-style-type: none"> • The activity complies with the lifecycle GHG emissions savings requirement of 73.4% for hydrogen [resulting in lifecycle GHG emissions lower than 3tCO2e/tH2] and 70% for hydrogen-based synthetic fuels relative to a fossil fuel comparator of 94g CO2e/MJ. Quantified lifecycle GHG emission savings are verified by third party • Where the CO2 that otherwise would be emitted from the manufacturing process is captured for the purpose of underground storage, the CO2 leakage of carbon transport methods are limited to <= 0.5 %, and Carbon sequestration sites comply with internationally recognized standards (i.e. the activity complies with ISO 27914:2017) • In the case of biofuels, all a. to c. needs to be complied with: <ul style="list-style-type: none"> – Biofuels, bioliquids and biomass fuels produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, wetlands or peatlands and forest biomass shall not derive from unsustainable production; examples of non-eligible land include protected areas, natural reserves, land certified by IUCN RLE; products certified by FSC® are eligible. Food-and feed crops are not used for the manufacture of biofuels for use in transport and for the manufacture of bioliquids – The greenhouse gas emission savings from the manufacture of biofuels and biogas for use in transport and from the manufacture of bioliquids are at least 65 % in relation to the GHG saving methodology and the relative fossil fuel comparator set out in Annex V to Directive (EU) 2018/2001 – Where the manufacture of biogas relies on anaerobic digestion of organic material, the produced biogas is used directly for the generation of electricity or heat, or upgraded to bio-methane for injection in the natural gas grid, or used as vehicle or ship fuel or as feedstock in chemical industry or – where technologically and economically not feasible to comply with point (a), from 1 January 2026, in addition to an attained Energy Efficiency Existing Ship Index (EEXI) value equivalent to reducing the EEDI reference line by at least 10 % points below the EEXI requirements applicable on 1 January 2023, the yearly average greenhouse gas intensity of the energy used on-board by a ship during a reporting period does not exceed 76,4 g CO2e/MJ from 1 January 2026 until 31 December 2029
Withdrawn of non-compliant aircrafts	<ul style="list-style-type: none"> • For the calculation of the replacement ratio in line with the Manufacturing of aircraft criteria, the fleet within six months of delivery of the compliant aircraft in which case the share of Taxonomy compliance of eligible aircraft is limited by the replacement ratio as set out in Manufacturing of aircraft; whereby the aircraft permanently withdrawn from use or from the fleet: (i) is not compliant with the margins defined in Manufacturing of aircraft criteria, point (i)* (ii) has at least 80 % of maximum take-off weight of the compliant aircraft; (iii) has remained in the fleet within at least 12 months prior to its withdrawal; (iv) has a proof of airworthiness dating back less than 6 months prior to the delivery of the compliant aircraft
Selective Treatment on waste substances	<ul style="list-style-type: none"> • As a minimum the following substances, mixtures and components have to be removed from any separately collected WEEE: <ul style="list-style-type: none"> – Polychlorinated biphenyls (PCB) containing capacitors in accordance with Council Directive 96/59/EC of – 16 September 1996 on the disposal of polychlorinated biphenyls and polychlorinated terphenyls (PCB/PCT) (1), – Mercury containing components, such as switches or backlighting lamps, – Batteries, – Printed circuit boards of mobile phones generally, and of other devices if the surface of the printed circuit board is greater than 10 square centimetres, – Toner cartridges, liquid and paste, as well as colour toner, – Plastic containing brominated flame retardants, – Asbestos waste and components which contain asbestos, – Cathode ray tubes, – Chlorofluorocarbons (CFC), hydrochlorofluorocarbons (HCFC) or hydrofluorocarbons (HFC), hydrocarbons (HC), – Gas discharge lamps, – Liquid crystal displays (together with their casing where appropriate) of a surface greater than 100 square centimetres and all those back-lighted with gas discharge lamps, – External electric cables,

Term	Definition
	<ul style="list-style-type: none"> – Components containing refractory ceramic fibres as described in Commission Directive 97/69/EC of 5 December 1997 adapting to technical progress for the 23rd time Council Directive 67/548/EEC on the approximation of the laws, regulations and administrative provisions relating to the classification, packaging and labelling of dangerous substances (2), – Components containing radioactive substances with the exception of components that are below the exemption thresholds set in Article 3 of and Annex I to Council Directive 96/29/Euratom of 13 May 1996 laying down basic safety standards for the protection of the health of workers and the general public against the dangers arising from ionizing radiation (3), – Electrolyte capacitors containing substances of concern (height > 25 mm, diameter > 25 mm or proportionately similar volume). <p>These substances, mixtures and components shall be disposed of or recovered in compliance with Directive 2008/98/EC.</p> <ul style="list-style-type: none"> • The following components of WEEE that is separately collected have to be treated as indicated: • Cathode ray tubes: the fluorescent coating has to be removed, • Equipment containing gases that are ozone depleting or have a global warming potential (GWP) above 15, such as those contained in foams and refrigeration circuits: the gases must be properly extracted and properly treated. Ozone-depleting gases must be treated in accordance with Regulation (EC) No 1005/2009, • Gas discharge lamps: the mercury shall be removed. • Taking into account environmental considerations and the desirability of preparation for re-use and recycling, points 1 and 2 shall be applied in such a way that environmentally-sound preparation for re-use and recycling of components or whole appliances is not hindered.

REAL ESTATE

A.3. Construction and Real Estate

This chapter aims to detail the various standards and conditions which are to be met for an investment related to the construction and real estate sector is deemed green / sustainable. The provided definitions can be divided into EU taxonomy and Santander-specific. With Santander-specific, a reference is made to the internal Santander standard for climate and sustainability.

All the activities mentioned in this chapter fall under the construction and real estate sector, as defined by the European Commission. Furthermore, all criteria have been validated by experts to ensure conformity with regulation. Any reference to floor size refers to gross floor area.

Shown below is a table of the substantial contribution technical screening criteria (for EU Taxonomy consistent criteria only), for all the activities considered in this chapter.

Activity	Environmental classification	Mitigation	Adaptation	Water	Circular economy	Pollution	Biodiversity
Construction of new residential buildings in Spain	EU Taxonomy	Own Performance	Own Performance	Own Performance			
	Santander-specific	Own Performance	Own Performance				
Construction of new commercial buildings in Spain	EU Taxonomy	Own Performance	Own Performance	Own Performance			
	Santander-specific	Own Performance	Own Performance				
Construction of new residential buildings in Portugal	EU Taxonomy	Own Performance	Own Performance	Own Performance			
	Santander-specific	Own Performance	Own Performance				
Construction of new commercial buildings in Portugal	EU Taxonomy	Own Performance	Own Performance	Own Performance			
	Santander-specific	Own Performance	Own Performance				
Construction of new residential buildings in Poland	EU Taxonomy	Own Performance	Own Performance	Own Performance			
	Santander-specific	Own Performance	Own Performance				
Construction of new commercial buildings in Poland	EU Taxonomy	Own Performance	Own Performance	Own Performance			
	Santander-specific	Own Performance	Own Performance				
Construction of new residential buildings in the UK	EU Taxonomy	Own Performance	Own Performance	Own Performance			
	Santander-specific	Own Performance	Own Performance				
Construction of new residential buildings in other countries (including EU and non-EU)	EU Taxonomy	Own Performance	Own Performance	Own Performance			
	Santander-specific	Own Performance	Own Performance				

Activity	Environmental classification	Mitigation	Adaptation	Water	Circular economy	Pollution	Biodiversity
Construction of new commercial buildings in other countries (including EU and non-EU)	EU Taxonomy	Own Performance	Own Performance	Own Performance			
	Santander-specific	Own Performance	Own Performance				
Renovation of existing buildings	EU Taxonomy	Transition	Own Performance	Own Performance			
	Santander-specific	Transition	Own Performance	Own Performance			
Installation, maintenance and repair of energy efficiency equipment	EU Taxonomy	Enabling	Own Performance				
Installation, maintenance and repair of energy efficiency equipment	Santander-specific	Enabling	Own Performance				
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	EU Taxonomy	Enabling	Own Performance				
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	EU Taxonomy	Enabling	Own Performance				
Installation, maintenance and repair of renewable energy technologies	EU Taxonomy	Enabling	Own Performance				
Acquisition and ownership of residential buildings in Spain	EU Taxonomy	Own Performance	Own Performance				
	Santander-specific	Own Performance	Own Performance				
Acquisition and ownership of commercial buildings in Spain	EU Taxonomy	Own Performance	Own Performance				
	Santander-specific	Own Performance	Own Performance				
Acquisition and ownership of residential buildings in Portugal	EU Taxonomy	Own Performance	Own Performance				
	Santander-specific	Own Performance	Own Performance				
Acquisition and ownership of commercial buildings in Portugal	EU Taxonomy	Own Performance	Own Performance				
	Santander-specific	Own Performance	Own Performance				
EU Taxonomy		Own Performance	Own Performance				

Activity	Environmental classification	Mitigation	Adaptation	Water	Circular economy	Pollution	Biodiversity
Acquisition and ownership of residential buildings in Poland	Santander-specific	Own Performance	Own Performance				
Acquisition and ownership of commercial buildings in Poland	EU Taxonomy Santander-specific	Own Performance Own Performance	Own Performance				
Acquisition and ownership of residential buildings in the UK	EU Taxonomy Santander-specific	Own Performance Own Performance	Own Performance				
Acquisition and ownership of residential buildings in other countries (including EU and non-EU)	EU Taxonomy Santander-specific	Own Performance Own Performance	Own Performance				
Acquisition and ownership of commercial buildings in other countries (including EU and non-EU)	EU Taxonomy Santander-specific	Own Performance Own Performance	Own Performance				
Demolition and wrecking of buildings and other structures	EU Taxonomy Santander-specific			Own Performance Own Performance			
Maintenance of roads and motorways	EU Taxonomy			Own Performance			
Use of concrete in civil engineering	EU Taxonomy Santander-specific			Own Performance Own Performance			

A.3.1. Construction of new buildings

Activity description

The development of construction projects for residential and non-residential buildings by combining financial, technical, and physical means with a view to sell the building upon delivery or at a later date, as well as the construction of complete residential or non-residential buildings, on own account for sale or on a fee or contract basis. Any reference to floor size refers to gross floor area.

A.3.1.1. In Spain

A.3.1.1.1. Construction of new residential buildings in Spain

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with either (1.) or (2.):</p> <ol style="list-style-type: none">1. Buildings that have a have an actual (non-modelled) Primary Energy Demand (PED) from non-renewables limited up to:<ol style="list-style-type: none">A. In mainland territory:<ol style="list-style-type: none">i. 18.0 kWh/m²/ year in Climatic Zone αii. 22.5 kWh/m²/ year in Climatic Zone Aiii. 25.2 kWh/m²/ year in Climatic Zone Biv. 28.8 kWh/m²/ year in Climatic Zone Cv. 34.2 kWh/m²/ year in Climatic Zone Dvi. 38.7 kWh/m²/ year in Climatic Zone EB. In non-mainland territory (Balearic Islands, Canary Islands, Ceuta and Melilla):<ol style="list-style-type: none">i. 22.5 kWh/m²/ year in Climatic Zone αii. 28.1 kWh/m²/ year in Climatic Zone Aiii. 31.5 kWh/m²/ year in Climatic Zone Biv. 36.0 kWh/m²/ year in Climatic Zone Cv. 42.8 kWh/m²/ year in Climatic Zone Dvi. 48.4 kWh/m²/ year in Climatic Zone EC. For buildings larger than 5,000 m², in addition they need to comply with the following criteria⁴³:<ol style="list-style-type: none">i. Building is subject to checks for airtightness and thermal integrity⁴⁴ post construction; deviations from the predetermined performance levels or defects are communicated to investors and clients.ii. Life-cycle Global Warming Potential (GWP) of the building has been calculated for each stage and is disclosed to investors and clients.2. New buildings that have obtained or will in future obtain one of the following certificates:<ol style="list-style-type: none">A. HQE SB v4. CertificationB. Buildings that have a PED that is 10% below the Net Zero Energy Building Certification™ (NZEB)C. [To come in 2024] Low-Carbon Buildings Climate Bond Initiative (CBI) Certification⁴⁵

⁴³ For residential buildings, the testing, calculations and disclose is made for a representative set of dwelling/apartment types

⁴⁴ Thermal integrity testing is not required if robust and traceable quality control processes are in place during construction

⁴⁵ In October 2023, the Climate Bond Initiative (CBI) introduced a certification program for commercial buildings, fully aligned with the EU taxonomy. Residential standards are set to be released in December 2023

Eligibility	Criteria
	<p><i>OR Circular economy criteria</i></p> <p>1. Circular economy activities related to the construction of new buildings complies with <u>all</u> of the following criteria⁴⁶ [LTO]:</p> <ul style="list-style-type: none"> A. Improved waste identification, source separation and collection, waste logistics, waste processing, and quality management in place to achieve recycling of the non-hazardous waste⁴⁷ of rate of 90% (by mass in kilogrammes), excluding backfilling; Naturally occurring materials (such as soil and stones) are excluded; Sorting systems and pre-demolition audits required⁴⁸ B. The life-cycle Global Warming Potential (GWP) of the building has been calculated for each stage in the life cycle and is disclosed to investors and clients on demand C. Construction designs and techniques support circularity via the incorporation of concepts for design for adaptability and deconstruction. Compliance demonstrated using EU Level 2 reporting framework D. The use of primary raw material in the construction of the building is minimised through the use of secondary raw materials. The operator of the activity ensures that the three heaviest material categories used to construct the building, measured by mass in kilogrammes, comply with the following maximum total amounts of primary raw material used⁴⁹: <ul style="list-style-type: none"> i. for the combined total of concrete, natural or agglomerated stone, a maximum of 70% of the material come from primary raw material ii. for the combined total of brick, tile, ceramic, a maximum of 70% of the material come from primary raw material iii. for bio-based materials, a maximum of 80% of the total material come from primary raw material iv. for the combined total of glass, mineral insulation, a maximum of 70% of the total material come from primary raw material v. for non-biobased plastic, a maximum of 50% of the total material come from primary raw material vi. for metals, a maximum of 30% of the total material come from primary raw material vii. for gypsum, a maximum of 65% of the material come from primary raw material <p>2. The operator of the activity uses electronic tools to describe the characteristics of the building, including the materials and components used, using EN ISO 22057:2022 to provide Environmental Product Declarations (stored in a digital format and made available to investors and clients on demand). The operator ensures the long-term preservation of this information beyond the useful life of the building by using the information managing systems provided by national tools, such as cadastre or public register</p>
Santander-specific	<p>The activity complies with the following criteria:</p> <p>1. New buildings that have obtained or will in future obtain any of the following certifications of efficiency of the real estate:</p> <ul style="list-style-type: none"> A. New buildings that are within the top 15% energy efficiency of the national or regional building stock. For example, as of December 2021 for Spain: <ul style="list-style-type: none"> i. C or above⁵⁰ in Andalucía, Aragón, Baleares, Castilla y León, Castilla La Mancha, Ceuta, Galicia, Madrid, Melilla, Navarra, Rioja ii. D or above⁵⁰ in Asturias, Canarias, Cantabria, Cataluña, Extremadura, Murcia, País Vasco, Valencia B. LEED (Gold or above)

⁴⁶ Certifications such as LEED ZERO, BREEAM, DGNB, and HQE are widely recognized standards that endorse sustainable and circular construction practices. However, these standards alone do not ensure compliance with EU Taxonomy requirements

⁴⁷ Waste types include: concrete, bricks, tiles and ceramics; wood, glass and plastic; bituminous mixtures, coal tar and tarred products, metals, insulation materials, gypsum-based construction material

⁴⁸ The operator demonstrates compliance with the 90% threshold by reporting different waste streams. Compliance demonstrated using EU Level 2 reporting framework.

⁴⁹ Compliance demonstrated using EU Level 2 reporting framework. See definition table.

⁵⁰ As of November 2024 with December 2022 data; Periodic review to be conducted every year, required to ensure compliance with the EU Taxonomy 15% threshold, given changes in EPC distribution.

Eligibility	Criteria
	<ul style="list-style-type: none"> C. BREEAM (Excellent or above where "Very good" can be acceptable with a minimum score of 70% in the Energy category) D. DGNB Certification (Gold or above) E. EDGE (Advanced or Zero Carbon) F. Passivhaus (Classic or above) G. Home Quality Mark (4 stars or above) H. NABERS (4,5 stars or above) I. PBE Edificia (ENCE rating B)

A.3.1.1.2. Construction of new commercial buildings in Spain

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with either (1.) or (2.):</p> <ol style="list-style-type: none"> 1. New buildings that comply with the following criteria: <ul style="list-style-type: none"> A. The building's actual (non-modelled) Primary Energy Demand (PED) from non-renewables is limited up to $[\text{see baseline values below per climatic zone}] + 8 * (1 - 10\%) * \text{CFI}^{51}$

⁵¹ "Carga interna media" (CFI) refers to the average internal load within a building or a specific area of a building over a typical week. It quantifies the internal load generated by various sources such as occupants, electrical equipment, lighting, etc., and is expressed in W/m². The formula for calculating the average internal load (CFI) is as follows:

$$\cdot \text{CFI} = (\sum \text{Coc} / (7 \cdot 24)) + (\sum \text{Cil} / (7 \cdot 24)) + (\sum \text{Ceq} / (7 \cdot 24))$$

Where:

- CFI is the average internal load per unit area of the building or building area (expressed in W/m²).
- $\sum \text{Coc}$ is the sum of nominal sensible loads due to occupancy [W/m²] per hour over a typical week.
- $\sum \text{Cil}$ is the sum of nominal lighting loads [W/m²] per hour over a typical week.
- $\sum \text{Ceq}$ is the sum of nominal equipment loads [W/m²] per hour over a typical week.

The "Carga interna media" (CFI) of the building is obtained by weighting the average internal load of each space by its usable area. The resulting value is expressed in W/m².

- i. Baseline values in mainland territory:
- ii. 63.0 kWh/m²/ year in Climatic Zone α
- iii. 49.5 kWh/m²/ year in Climatic Zone A
- iv. 45.0 kWh/m²/ year in Climatic Zone B
- v. 31.5 kWh/m²/ year in Climatic Zone C
- vi. 18.0 kWh/m²/ year in Climatic Zone D
- vii. 9.0 kWh/m²/ year in Climatic Zone E

Baseline values in non-mainland territory (Balearic Islands, Canary Islands, Ceuta and Melilla):

- viii. 88.2 kWh/m²/ year in Climatic Zone α
- ix. 69.3 kWh/m²/ year in Climatic Zone A
- x. 63.0 kWh/m²/ year in Climatic Zone B
- xi. 44.1 kWh/m²/ year in Climatic Zone C
- xii. 25.2 kWh/m²/ year in Climatic Zone D
- xiii. 12.6 kWh/m²/ year in Climatic Zone E

B. For buildings larger than 5,000 m², **in addition** they need to comply with the following criteria:

- i. Building is subject to checks for airtightness and thermal integrity⁵² post construction; deviations from the predetermined performance levels or defects are communicated to investors and clients.
- ii. Life-cycle Global Warming Potential (GWP) of the building has been calculated for each stage and is disclosed to investors and clients.

2. New buildings that have obtained or will in future obtain one of the following certificates:

- A. HQE SB v4. Certification
- B. Buildings that have a PED that is 10% below the Net Zero Energy Building Certification™ (NZEB)
- C. Low-Carbon Buildings Climate Bond Initiative (CBI) Certification

OR Circular economy criteria

- 1. Circular economy activities related to the construction of new buildings complies with all of the following criteria⁵³ [LTO]:
- A. Improved waste identification, source separation and collection, waste logistics, waste processing, and quality management in place to achieve recycling of the non-hazardous waste⁵⁴ of rate of 90% (by mass in kilogrammes), excluding backfilling; Naturally occurring materials (such as soil and stones) are excluded; Sorting systems and pre-demolition audits required⁵⁵
- B. The life-cycle Global Warming Potential (GWP) of the building has been calculated for each stage in the life cycle and is disclosed to investors and clients on demand
- C. Construction designs and techniques support circularity via the incorporation of concepts for design for adaptability and deconstruction. Compliance demonstrated using EU Level 2 reporting framework
- D. The use of primary raw material in the construction of the building is minimised through the use of secondary raw materials. The operator of the activity ensures that the three heaviest material categories used to construct the building, measured by mass in kilogrammes, comply with the following maximum total amounts of primary raw material used⁵⁶:
 - i. for the combined total of concrete, natural or agglomerated stone, a maximum of 70% of the material come from primary raw material
 - ii. for the combined total of brick, tile, ceramic, a maximum of 70% of the material come from primary raw material
 - iii. for bio-based materials, a maximum of 80% of the total material come from primary raw material
 - iv. for the combined total of glass, mineral insulation, a maximum of 70% of the total material come from primary raw material
 - v. for non-biobased plastic, a maximum of 50% of the total material come from primary raw material
 - vi. for metals, a maximum of 30% of the total material come from primary raw material
 - vii. for gypsum, a maximum of 65% of the material come from primary raw material

Eligibility	Criteria
	<p>E. The operator of the activity uses electronic tools to describe the characteristics of the building, including the materials and components used, using EN ISO 22057:2022 to provide Environmental Product Declarations (stored in a digital format and made available to investors and clients on demand). The operator ensures the long-term preservation of this information beyond the useful life of the building by using the information managing systems provided by national tools, such as cadastre or public register</p>
Santander-specific	<p>1. New buildings that have obtained or will in future obtain any of the following certifications of efficiency of the real estate:</p> <ul style="list-style-type: none"> A. New buildings that are within the top 15% energy efficiency of the national or regional building stock. For example, as of December 2021 for Spain: <ul style="list-style-type: none"> i. C or above⁵⁷ in Andalucía, Aragón, Baleares, Castilla y León, Castilla La Mancha, Ceuta, Galicia, Madrid, Melilla, Navarra, Rioja ii. D or above⁵⁷ in Asturias, Canarias, Cantabria, Cataluña, Extremadura, Murcia, País Vasco, Valencia B. LEED (Gold or above) C. BREEAM (Excellent or above where “Very good” can be acceptable with a minimum score of 70% in the Energy category) D. DGNB Certification (Gold or above) E. EDGE (Advanced or Zero Carbon) F. Passivhaus (Classic or above) G. Home Quality Mark (4 starts or above) H. NABERS (4,5 stars or above) I. PBE Edifica (ENCE rating B)

⁵² Thermal integrity testing is not required if robust and traceable quality control processes are in place during construction

⁵³ Certifications such as LEED ZERO, BREEAM, DGNB, and HQE are widely recognized standards that endorse sustainable and circular construction practices. However, these standards alone do not ensure compliance with EU Taxonomy requirements

⁵⁴ Waste types include: concrete, bricks, tiles and ceramics; wood, glass and plastic; bituminous mixtures, coal tar and tarred products, metals, insulation materials, gypsum-based construction material

⁵⁵ The operator demonstrates compliance with the 90% threshold by reporting different waste streams. Compliance demonstrated using EU Level 2 reporting framework

⁵⁶ Compliance demonstrated using EU Level 2 reporting framework

⁵⁷ As of November 2024 with December 2022 data; Periodic review to be conducted every year, required to ensure compliance with the EU Taxonomy 15% threshold, given changes in EPC distribution.

A.3.1.2. In Portugal

A.3.1.2.1. Construction of new residential buildings in Portugal

Eligibility	Criteria [LTO]
EU Taxonomy consistent	<p>The activity complies with either (1.) or (2.):</p> <ol style="list-style-type: none"> 1. New buildings that have an actual (non-modelled) RNT <0.45⁵⁸ <ol style="list-style-type: none"> A. For buildings larger than 5,000 m², in addition they need to comply with the following criteria⁵⁹: <ol style="list-style-type: none"> i. Building is subject to checks for airtightness and thermal integrity⁶⁰ post construction; deviations from the predetermined performance levels or defects are communicated to investors and clients. ii. Life-cycle Global Warming Potential (GWP) of the building has been calculated for each stage and is disclosed to investors and clients. 2. New buildings that have obtained or will in future obtain one of the following certificates: <ol style="list-style-type: none"> A. HQE SB v4. Certification B. Buildings that have a PED that is 10% below the Net Zero Energy Building Certification™ (NZEB) C. [To come in 2024] Low-Carbon Buildings Climate Bond Initiative (CBI) Certification⁶¹ <p><i>OR Circular economy criteria</i></p> <ol style="list-style-type: none"> 1. Circular economy activities related to the construction of new buildings complies with all of the following criteria⁶² [LTO]: <ol style="list-style-type: none"> A. Improved waste identification, source separation and collection, waste logistics, waste processing, and quality management in place to achieve recycling of the non-hazardous waste⁶³ of rate of 90% (by mass in kilogrammes), excluding backfilling; Naturally occurring materials (such as soil and stones) are excluded; Sorting systems and pre-demolition audits required⁶⁴ B. The life-cycle Global Warming Potential (GWP) of the building has been calculated for each stage in the life cycle and is disclosed to investors and clients on demand C. Construction designs and techniques support circularity via the incorporation of concepts for design for adaptability and deconstruction. Compliance demonstrated using EU Level 2 reporting framework D. The use of primary raw material in the construction of the building is minimised through the use of secondary raw materials. The operator of the activity ensures that the three heaviest material categories used to construct the building, measured by mass in kilogrammes, comply with the following maximum total amounts of primary raw material used⁶⁵: <ol style="list-style-type: none"> i. for the combined total of concrete, natural or agglomerated stone, a maximum of 70% of the material come from primary raw material ii. for the combined total of brick, tile, ceramic, a maximum of 70% of the material come from primary raw material iii. for bio-based materials, a maximum of 80% of the total material come from primary raw material iv. for the combined total of glass, mineral insulation, a maximum of 70% of the total material come from primary raw material v. for non-biobased plastic, a maximum of 50% of the total material come from primary raw material vi. for metals, a maximum of 30% of the total material come from primary raw material vii. for gypsum, a maximum of 65% of the material come from primary raw material E. The operator of the activity uses electronic tools to describe the characteristics of the building, including the materials and components used, using EN ISO 22057:2022 to provide Environmental Product Declarations (stored in a digital format and made available to investors and clients on demand). The operator ensures the long-term preservation of this information beyond the useful life of the building by using the information managing systems provided by national tools, such as cadastre or public register
Santander-specific	<p>The activity complies with the following criteria:</p> <ol style="list-style-type: none"> 1. New buildings that have obtained or will in future obtain any of the following certifications of efficiency of the real estate:

- A. Buildings that are within the top 15% energy efficiency of the national building stock, which as of September 2023 considers Energy Performance Certificates (EPC) B or above in Portugal⁶⁶
 - B. LEED (Gold or above)
 - C. BREEAM (Excellent or above where “Very good” can be acceptable with a minimum score of 70% in the Energy category)
 - D. DGNB Certification (Gold or above)
 - E. EDGE (Advanced or Zero Carbon)
 - F. Passivhaus (Classic or above)
 - G. Home Quality Mark (4 stars or above)
 - H. NABERS (4,5 stars or above)
 - I. PBE Edifício (ENCE rating B)
 - J. Lider A (C Level or above, as long it complies with Top 15%)
 - K. Adene Certificação de eficiência energética e qualidade do ar (SCE – A or above classification, as long it represents the top 15% more efficient)
-

⁵⁸ RNT = Nominal annual global primary energy demand - value (Ntc) / Nominal annual global primary energy demand - reference (Nt); value to be reviewed regularly as discussion paper (['NT_SCE_02_NZEB20_V1'](#)) updated the definition of NZEB in Portugal, which corresponds to the RNT NZEB=0.5; RIEE NZEB = 0.75

⁵⁹ For residential buildings, the testing, calculations and disclose is made for a representative set of dwelling/apartment types

⁶⁰ Thermal integrity testing is not required if robust and traceable quality control processes are in place during construction

⁶¹ In October 2023, the Climate Bond Initiative (CBI) introduced a certification program for commercial buildings, fully aligned with the EU taxonomy. Residential standards are set to be released in December 2023

⁶² Certifications such as LEED ZERO, BREEAM, DGNB, and HQE are widely recognized standards that endorse sustainable and circular construction practices. However, these standards alone do not ensure compliance with EU Taxonomy requirements

⁶³ Waste types include: concrete, bricks, tiles and ceramics; wood, glass and plastic; bituminous mixtures, coal tar and tarred products, metals, insulation materials, gypsum-based construction material

⁶⁴ The operator demonstrates compliance with the 90% threshold by reporting different waste streams. Compliance demonstrated using EU Level 2 reporting framework

⁶⁵ Compliance demonstrated using EU Level 2 reporting framework

⁶⁶ As of November 2024; Periodic review to be conducted quarterly or at least annually, required to ensure compliance with the EU Taxonomy 15% threshold, [given changes in EPC distribution of the national building stock](#) (including existing buildings, newly constructed buildings, and those that have undergone renovations).

A.3.1.2.2. Construction of new commercial buildings in Portugal

Eligibility	Criteria [LTO]
EU Taxonomy consistent	<p>The activity complies with either (1.) or (2.):</p> <ol style="list-style-type: none"> 1. New buildings that comply with the following criteria: <ol style="list-style-type: none"> A. Buildings with an actual (non-modelled) RIEE of <0.675⁶⁷ B. For buildings larger than 5,000 m², in addition they need to comply with the following criteria: <ol style="list-style-type: none"> i. Building is subject to checks for airtightness and thermal integrity⁶⁸ post construction; deviations from the predetermined performance levels or defects are communicated to investors and clients. ii. Life-cycle Global Warming Potential (GWP) of the building has been calculated for each stage and is disclosed to investors and clients. 2. New buildings that have obtained or will in future obtain one of the following certificates: <ol style="list-style-type: none"> A. HQE SB v4. Certification B. Buildings that have a PED that is 10% below the Net Zero Energy Building Certification™ (NZEB) C. Low-Carbon Buildings Climate Bond Initiative (CBI) Certification <p><i>OR Circular economy criteria</i></p> <ol style="list-style-type: none"> 1. Circular economy activities related to the construction of new buildings complies with <u>all</u> of the following criteria⁶⁹ [LTO]: <ol style="list-style-type: none"> A. Improved waste identification, source separation and collection, waste logistics, waste processing, and quality management in place to achieve recycling of the non-hazardous waste⁷⁰ of rate of 90% (by mass in kilogrammes), excluding backfilling; Naturally occurring materials (such as soil and stones) are excluded; Sorting systems and pre-demolition audits required⁷¹ B. The life-cycle Global Warming Potential (GWP) of the building has been calculated for each stage in the life cycle and is disclosed to investors and clients on demand C. Construction designs and techniques support circularity via the incorporation of concepts for design for adaptability and deconstruction. Compliance demonstrated using <u>EU Level 2 reporting framework</u> D. The use of primary raw material in the construction of the building is minimised through the use of secondary raw materials. The operator of the activity ensures that the three heaviest material categories used to construct the building, measured by mass in kilogrammes, comply with the following maximum total amounts of primary raw material used⁷²: <ol style="list-style-type: none"> i. for the combined total of concrete, natural or agglomerated stone, a maximum of 70% of the material come from primary raw material ii. for the combined total of brick, tile, ceramic, a maximum of 70% of the material come from primary raw material iii. for bio-based materials, a maximum of 80% of the total material come from primary raw material iv. for the combined total of glass, mineral insulation, a maximum of 70% of the total material come from primary raw material v. for non-biobased plastic, a maximum of 50% of the total material come from primary raw material vi. for metals, a maximum of 30% of the total material come from primary raw material vii. for gypsum, a maximum of 65% of the material come from primary raw material E. The operator of the activity uses electronic tools to describe the characteristics of the building, including the materials and components used, using EN ISO 22057:2022 to provide Environmental Product Declarations (stored in a digital format and made available to investors and clients on demand). The operator ensures the long-term preservation of this information beyond the useful life of the building by using the information managing systems provided by national tools, such as cadastre or public register
Santander-specific	The activity complies with the following criteria:

⁶⁷ RIEE = (IEE pr, S - IEE pr, ren) / IEE ref, s '⁻

RIEE = Energy class ratio in commercial and service buildings. value to be reviewed regularly as discussion paper ('NT_SCE_02_NZEB20_V1) updated the definition of NZEB in Portugal, which corresponds to the RNT NZEB=0.5; RIEE NZEB = 0.75

- IEE pr, S = Projected energy efficiency indicator of type S1 (includes ambient heating and cooling, ventilation and pumping in air conditioning systems, heating of sanitary water and swimming pools, interior lighting, elevators, stairs, and escalators, exterior lighting, from non-renewable sources)

1. New buildings that have obtained or will in future obtain any of the following certifications of efficiency of the real estate:
 - A. Buildings that are within the top 15% energy efficiency of the national building stock, which as of September 2023 considers Energy Performance Certificates (EPC) B or above in Portugal⁷³
 - B. LEED (Gold or above)
 - C. BREEAM (Excellent or above where “Very good” can be acceptable with a minimum score of 70% in the Energy category)
 - D. DGNB Certification (Gold or above)
 - E. EDGE (Advanced or Zero Carbon)
 - F. Passivhaus (Classic or above)
 - G. Home Quality Mark (4 stars or above)
 - H. NABERS (4,5 stars or above)
 - I. PBE Edifício (ENCE rating B)
 - J. Lider A (C Level or above, as long it complies with Top 15%)
 - K. Adene Certificação de eficiência energética e qualidade do ar (SCE – A or above classification, as long it represents the top. 15% more efficient)
-

- IEE pr, ren = Projected renewable energy efficiency indicator
- IEE ref, s = Reference energy efficiency indicator

⁶⁸ Thermal integrity testing is not required if robust and traceable quality control processes are in place during construction

⁶⁹ Certifications such as LEED ZERO, BREEAM, DGNB, and HQE are widely recognized standards that endorse sustainable and circular construction practices. However, these standards alone do not ensure compliance with EU Taxonomy requirements

⁷⁰ Waste types include: concrete, bricks, tiles and ceramics; wood, glass and plastic; bituminous mixtures, coal tar and tarred products, metals, insulation materials, gypsum-based construction material

⁷¹ The operator demonstrates compliance with the 90% threshold by reporting different waste streams. Compliance demonstrated using EU Level 2 reporting framework

⁷² Compliance demonstrated using EU Level 2 reporting framework

⁷³ As of November 2024; Periodic review to be conducted quarterly or at least annually, required to ensure compliance with the EU Taxonomy 15% threshold, given changes in EPC distribution of the national building stock (including existing buildings, newly constructed buildings, and those that have undergone renovations).

A.3.1.3. In Poland

A.3.1.3.1. Construction of new residential buildings in Poland

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with either (1.) or (2.):</p> <ol style="list-style-type: none"> 1. New buildings that have an actual (non-modelled) Primary Energy Demand (PED) limited up to 63 kWh/m²/year for single family residential properties; 58,5 kWh/m²/year for multifamily residential properties; 67,5 kWh/m²/year for collective residency buildings (hotels and other accommodation). <ol style="list-style-type: none"> A. For buildings larger than 5,000 m², in addition they need to comply with the following criteria⁷⁴: <ol style="list-style-type: none"> i. Building is subject to checks for airtightness and thermal integrity⁷⁵ post construction; deviations from the predetermined performance levels or defects are communicated to investors and clients. ii. Life-cycle Global Warming Potential (GWP) of the building has been calculated for each stage and is disclosed to investors and clients. 2. New buildings that have obtained or will in future obtain one of the following certificates: <ol style="list-style-type: none"> A. HQE SB v4. Certification B. Buildings that have a PED that is 10% below the Net Zero Energy Building Certification™ (NZEB) C. [To come in 2024] Low-Carbon Buildings Climate Bond Initiative (CBI) Certification⁷⁶ <p><i>OR Circular economy criteria</i></p> <ol style="list-style-type: none"> 3. Circular economy activities related to the construction of new buildings complies with all of the following criteria⁷⁷ [LTO]: <ol style="list-style-type: none"> A. Improved waste identification, source separation and collection, waste logistics, waste processing, and quality management in place to achieve recycling of the non-hazardous waste⁷⁸ of rate of 90% (by mass in kilogrammes), excluding backfilling; Naturally occurring materials (such as soil and stones) are excluded; Sorting systems and pre-demolition audits required⁷⁹ B. The life-cycle Global Warming Potential (GWP) of the building has been calculated for each stage in the life cycle and is disclosed to investors and clients on demand C. Construction designs and techniques support circularity via the incorporation of concepts for design for adaptability and deconstruction. Compliance demonstrated using EU Level 2 reporting framework D. The use of primary raw material in the construction of the building is minimised through the use of secondary raw materials. The operator of the activity ensures that the three heaviest material categories used to construct the building, measured by mass in kilogrammes, comply with the following maximum total amounts of primary raw material used⁸⁰:

⁷⁴ For residential buildings, the testing, calculations and disclose is made for a representative set of dwelling/apartment types

⁷⁵ Thermal integrity testing is not required if robust and traceable quality control processes are in place during construction

⁷⁶ In October 2023, the Climate Bond Initiative (CBI) introduced a certification program for commercial buildings, fully aligned with the EU taxonomy. Residential standards are set to be released in December 2023

⁷⁷ Certifications such as LEED ZERO, BREEAM, DGNB, and HQE are widely recognized standards that endorse sustainable and circular construction practices. However, these standards alone do not ensure compliance with EU Taxonomy requirements

⁷⁸ Waste types include: concrete, bricks, tiles and ceramics; wood, glass and plastic; bituminous mixtures, coal tar and tarred products, metals, insulation materials, gypsum-based construction material

⁷⁹ The operator demonstrates compliance with the 90% threshold by reporting different waste streams. Compliance demonstrated using EU Level 2 reporting framework

⁸⁰ Compliance demonstrated using EU Level 2 reporting framework

Eligibility	Criteria
	<ul style="list-style-type: none"> i. For the combined total of concrete, natural or agglomerated stone, a maximum of 70% of the material come from primary raw material ii. For the combined total of brick, tile, ceramic, a maximum of 70% of the material come from primary raw material iii. For bio-based materials, a maximum of 80% of the total material come from primary raw material iv. For the combined total of glass, mineral insulation, a maximum of 70% of the total material come from primary raw material v. For non-biobased plastic, a maximum of 50% of the total material come from primary raw material vi. For metals, a maximum of 30% of the total material come from primary raw material vii. For gypsum, a maximum of 65% of the material come from primary raw material <p>E. The operator of the activity uses electronic tools to describe the characteristics of the building, including the materials and components used, using EN ISO 22057:2022 to provide Environmental Product Declarations (stored in a digital format and made available to investors and clients on demand). The operator ensures the long-term preservation of this information beyond the useful life of the building by using the information managing systems provided by national tools, such as cadastre or public register</p>
Santander-specific	<p>The activity complies with the following criteria:</p> <ol style="list-style-type: none"> 1. New buildings that have obtained or will in future obtain any of the following certifications of efficiency of the real estate: <ul style="list-style-type: none"> A. Buildings that are within the top 15% energy efficiency of the national or regional building stock⁸¹ B. LEED (Gold or above) C. BREEAM (Excellent or above where “Very good” can be acceptable with a minimum score of 70% in the Energy category) D. DGNB Certification (Gold or above) E. EDGE (Advanced or Zero Carbon) F. Passivhaus (Classic or above) G. Home Quality Mark (4 starts or above) H. NABERS (4,5 stars or above) I. PBE Edificia (ENCE rating B)

A.3.1.3.2. Construction of new commercial buildings or buildings larger than 5,000 m² in Poland

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with either (1.) or (2.):</p> <ol style="list-style-type: none"> 1. New buildings that comply with the following criteria: <ul style="list-style-type: none"> A. The building’s actual (non-modelled) Primary Energy Demand (PED) is limited up to 171 kWh/m²/year for public utility buildings including hospitals, shopping malls, offices and healthcare buildings; 40,5 kWh/m²/year for other public buildings or 63 kWh/m²/year for non-public buildings such as utility, warehouses and production buildings.

⁸¹ Periodic review to be conducted quarterly or at least annual, required to ensure compliance with the EU Taxonomy 15% threshold, given changes in PED distribution.

Eligibility	Criteria
	<p>B. For buildings larger than 5,000 m², in addition they need to comply with the following criteria:</p> <ul style="list-style-type: none"> i. Building is subject to checks for airtightness and thermal integrity⁸² post construction; deviations from the predetermined performance levels or defects are communicated to investors and clients. ii. Life-cycle Global Warming Potential (GWP) of the building has been calculated for each stage and is disclosed to investors and clients. <p>2. New buildings that have obtained or will in future obtain one of the following certificates:</p> <ul style="list-style-type: none"> A. HQE SB v4. Certification B. Buildings that have a PED that is 10% below the Net Zero Energy Building Certification™ (NZEB) C. Low-Carbon Buildings Climate Bond Initiative (CBI) Certification <p><i>OR Circular Economy criteria</i></p> <p>1. Circular economy activities related to the construction of new buildings complies with all of the following criteria⁸³[LTO]:</p> <ul style="list-style-type: none"> A. Improved waste identification, source separation and collection, waste logistics, waste processing, and quality management in place to achieve recycling of the non-hazardous waste⁸⁴ of rate of 90% (by mass in kilograms), excluding backfilling; Naturally occurring materials (such as soil and stones) are excluded; Sorting systems and pre-demolition audits required⁸⁵ B. The life-cycle Global Warming Potential (GWP) of the building has been calculated for each stage in the life cycle and is disclosed to investors and clients on demand C. Construction designs and techniques support circularity via the incorporation of concepts for design for adaptability and deconstruction. Compliance demonstrated using EU Level 2 reporting framework D. The use of primary raw material in the construction of the building is minimised through the use of secondary raw materials. The operator of the activity ensures that the three heaviest material categories used to construct the building, measured by mass in kilograms, comply with the following maximum total amounts of primary raw material used⁸⁶: <ul style="list-style-type: none"> i. for the combined total of concrete, natural or agglomerated stone, a maximum of 70% of the material come from primary raw material ii. for the combined total of brick, tile, ceramic, a maximum of 70% of the material come from primary raw material iii. for bio-based materials, a maximum of 80% of the total material come from primary raw material iv. for the combined total of glass, mineral insulation, a maximum of 70% of the total material come from primary raw material v. for non-biobased plastic, a maximum of 50% of the total material come from primary raw material vi. for metals, a maximum of 30% of the total material come from primary raw material vii. for gypsum, a maximum of 65% of the material come from primary raw material E. The operator of the activity uses electronic tools to describe the characteristics of the building, including the materials and components used, using EN ISO 22057:2022 to provide Environmental Product Declarations (stored in a digital format and made available to investors and clients on demand). The operator ensures the long-term preservation of this information beyond the useful life of the building by using the information managing systems provided by national tools, such as cadastre or public register

⁸² Thermal integrity testing is not required if robust and traceable quality control processes are in place during construction

Eligibility	Criteria
Santander-specific	<p>The activity complies with the following criteria:</p> <ol style="list-style-type: none"> 1. New buildings that have obtained or will in future obtain any of the following certifications of efficiency of the real estate: <ul style="list-style-type: none"> A. Buildings that are within the top 15% energy efficiency of the national or regional building stock⁸⁷ B. LEED (Gold or above) C. BREEAM (Excellent or above where “Very good” can be acceptable with a minimum score of 70% in the Energy category) D. DGNB Certification (Gold or above) E. EDGE (Advanced or Zero Carbon) F. Passivhaus (Classic or above) G. Home Quality Mark (4 stars or above) H. NABERS (4,5 stars or above) I. PBE Edifica (ENCE rating B)

⁸³ Certifications such as LEED ZERO, BREEAM, DGNB, and HQE are widely recognized standards that endorse sustainable and circular construction practices. However, these standards alone do not ensure compliance with EU Taxonomy requirements

⁸⁴ Waste types include: concrete, bricks, tiles and ceramics; wood, glass and plastic; bituminous mixtures, coal tar and tarred products, metals, insulation materials, gypsum-based construction material

⁸⁵ The operator demonstrates compliance with the 90% threshold by reporting different waste streams. Compliance demonstrated using EU Level 2 reporting framework

⁸⁶ Compliance demonstrated using EU Level 2 reporting framework

⁸⁷ Periodic review to be conducted quarterly or at least annually, required to ensure compliance with the EU Taxonomy 15% threshold, given changes in PED distribution.

A.3.1.4. In the UK

A.3.1.4.1. Construction of new residential buildings in the UK (for new commercial buildings please refer to A.3.1.5.2)

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with either (1.) or (2.):</p> <ol style="list-style-type: none"> 1. New buildings that have a Primary Energy Demand (PED) limited up to 40 kWh/m²/year⁸⁸ <ol style="list-style-type: none"> A. For buildings larger than 5,000 m², in addition they need to comply with the following criteria⁸⁹: <ol style="list-style-type: none"> i. Building is subject to checks for airtightness and thermal integrity⁹⁰ post construction; deviations from the predetermined performance levels or defects are communicated to investors and clients. ii. Life-cycle Global Warming Potential (GWP) of the building has been calculated for each stage and is disclosed to investors and clients. 2. New buildings that have obtained or will in future obtain one of the following certificates: <ol style="list-style-type: none"> A. HQE SB v4. Certification B. Buildings that have a PED that is 10% below the Net Zero Energy Building Certification™ (NZEB) C. [To come in 2024] Low-Carbon Buildings Climate Bond Initiative (CBI) Certification⁹¹ <p><i>OR Circular economy criteria</i></p> <ol style="list-style-type: none"> 1. Circular economy activities related to the construction of new buildings complies with <u>all</u> of the following criteria⁹² [LTO]: <ol style="list-style-type: none"> A. Improved waste identification, source separation and collection, waste logistics, waste processing, and quality management in place to achieve recycling of the non-hazardous waste⁹³ of rate of 90% (by mass in kilogrammes), excluding backfilling; Naturally occurring materials (such as soil and stones) are excluded; Sorting systems and pre-demolition audits required⁹⁴ B. The life-cycle Global Warming Potential (GWP) of the building has been calculated for each stage in the life cycle and is disclosed to investors and clients on demand C. Construction designs and techniques support circularity via the incorporation of concepts for design for adaptability and deconstruction. Compliance demonstrated using <u>EU Level 2 reporting framework</u> D. The use of primary raw material in the construction of the building is minimised through the use of secondary raw materials. The operator of the activity ensures that the three heaviest material categories used to construct the building, measured by mass in kilogrammes, comply with the following maximum total amounts of primary raw material used⁹⁵: <ol style="list-style-type: none"> i. for the combined total of concrete, natural or agglomerated stone, a maximum of 70% of the material come from primary raw material ii. for the combined total of brick, tile, ceramic, a maximum of 70% of the material come from primary raw material iii. for bio-based materials, a maximum of 80% of the total material come from primary raw material iv. for the combined total of glass, mineral insulation, a maximum of 70% of the total material come from primary raw material v. for non-biobased plastic, a maximum of 50% of the total material come from primary raw material vi. for metals, a maximum of 30% of the total material come from primary raw material vii. for gypsum, a maximum of 65% of the material come from primary raw material E. The operator of the activity uses electronic tools to describe the characteristics of the building, including the materials and components used, using EN ISO 22057:2022 to provide Environmental Product Declarations (stored in a digital format and made available to investors and clients on demand). The operator ensures the long-term preservation of this information beyond the useful life of the building by using the information managing systems provided by national tools, such as cadastre or public register
Santander-specific	The activity complies with the following criteria:

1. New buildings that have obtained or will in future obtain any of the following certifications of efficiency of the real estate:
 - A. Buildings that are within the top 15% energy efficiency of the national building stock, which as of November 2023 considers Energy Performance Certificate (EPC) B or above for England, Wales, Scotland, and Northern Ireland (SAP above 79)⁹⁶
 - B. LEED (Gold or above)
 - C. BREEAM (Excellent or above where “Very good” can be acceptable with a minimum score of 70% in the Energy category)
 - D. DGNB Certification (Gold or above)
 - E. EDGE (Advanced or Zero Carbon)
 - F. Passivhaus (Classic or above)
 - G. Home Quality Mark (4 stars or above)
 - H. NABERS (4,5 stars or above)
 - I. PBE Edificia (ENCE rating B)

A.3.1.5. In all other countries (including EU and non-EU)

A.3.1.5.1. Construction of new residential buildings in other countries (including EU and non-EU)

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with either (1.) or (2.):</p> <ol style="list-style-type: none"> 1. Construction of new residential buildings or buildings smaller than 5,000 m² that have an actual (non-modelled) Primary Energy Demand (PED) limited up to: <ol style="list-style-type: none"> A. 18 kWh/m²/year in BE- Flanders B. 24 kWh/m²/year in Denmark C. 32 kWh/m²/year in Italy D. 36 kWh/m²/year in Germany E. 38 kWh/m²/year in Ireland F. 45 kWh/m²/year in Netherlands G. 49 kWh/m²/year in Slovakia H. 54 kWh/m²/year in Lithuania I. 68 kWh/m²/year in Slovenia J. 68 kWh/m²/year in France

⁸⁸ The UK only defines NZEB targets in line with EU taxonomy guidelines for residential buildings; commercial buildings will fall under the non-EU taxonomy aligned criteria

⁸⁹ For residential buildings, the testing, calculations and disclose is made for a representative set of dwelling/apartment types

⁹⁰ Thermal integrity testing is not required if robust and traceable quality control processes are in place during construction

⁹¹ In October 2023, the Climate Bond Initiative (CBI) introduced a certification program for commercial buildings, fully aligned with the EU taxonomy. Residential standards are set to be released in December 2023

⁹² Certifications such as LEED ZERO, BREEAM, DGNB, and HQE are widely recognized standards that endorse sustainable and circular construction practices. However, these standards alone do not ensure compliance with EU Taxonomy requirements

⁹³ Waste types include: concrete, bricks, tiles and ceramics; wood, glass and plastic; bituminous mixtures, coal tar and tarred products, metals, insulation materials, gypsum-based construction material

⁹⁴ The operator demonstrates compliance with the 90% threshold by reporting different waste streams. Compliance demonstrated using EU Level 2 reporting framework

⁹⁵ Compliance demonstrated using EU Level 2 reporting framework

⁹⁶ As of November 2024; Periodic review to be conducted quarterly or at least annually, required to ensure compliance with the EU Taxonomy 15% threshold, given changes in EPC distribution:

- [For England and Wales](#)
- [For Scotland](#)
- For Northern Ireland: Landmark

Eligibility	Criteria
	<p>K. 77 kWh/m²/year in BE-Walhonia</p> <p>L. 86 kWh/m²/year in Bulgaria</p> <p>M. 86 kWh/m²/year in Latvia</p> <p>N. 90 kWh/m²/year in Cyprus</p> <p>O. 90 kWh/m²/year in Hungary</p> <p>P. For buildings larger than 5,000 m², in addition they need to comply with the following criteria⁹⁷:</p> <ul style="list-style-type: none"> i. Building is subject to checks for airtightness and thermal integrity⁹⁸ post construction; deviations from the predetermined performance levels or defects are communicated to investors and clients. ii. Life-cycle Global Warming Potential (GWP) of the building has been calculated for each stage and is disclosed to investors and clients. <p>2. New buildings that have obtained or will in future obtain one of the following certificates:</p> <ul style="list-style-type: none"> A. HQE SB v4. Certification B. Buildings that have a PED that is 10% below the Net Zero Energy Building Certification™ (NZEB) C. [To come in 2024] Low-Carbon Buildings Climate Bond Initiative (CBI) Certification⁹⁹ <p><i>OR Circular economy criteria</i></p> <p>1. Circular economy activities related to the construction of new buildings complies with all of the following criteria¹⁰⁰[LTO]:</p> <ul style="list-style-type: none"> A. Improved waste identification, source separation and collection, waste logistics, waste processing, and quality management in place to achieve recycling of the non-hazardous waste¹⁰¹ of rate of 90% (by mass in kilogrammes), excluding backfilling; Naturally occurring materials (such as soil and stones) are excluded; Sorting systems and pre-demolition audits required¹⁰² B. The life-cycle Global Warming Potential (GWP) of the building has been calculated for each stage in the life cycle and is disclosed to investors and clients on demand C. Construction designs and techniques support circularity via the incorporation of concepts for design for adaptability and deconstruction. Compliance demonstrated using EU Level 2 reporting framework D. The use of primary raw material in the construction of the building is minimised through the use of secondary raw materials. The operator of the activity ensures that the three heaviest material categories used to construct the building, measured by mass in kilogrammes, comply with the following maximum total amounts of primary raw material used¹⁰³: <ul style="list-style-type: none"> i. for the combined total of concrete, natural or agglomerated stone, a maximum of 70% of the material come from primary raw material ii. for the combined total of brick, tile, ceramic, a maximum of 70% of the material come from primary raw material

⁹⁷ For residential buildings, the testing, calculations and disclose is made for a representative set of dwelling/apartment types

⁹⁸ Thermal integrity testing is not required if robust and traceable quality control processes are in place during construction

⁹⁹ In October 2023, the Climate Bond Initiative (CBI) introduced a certification program for commercial buildings, fully aligned with the EU taxonomy. Residential standards are set to be released in December 2023

¹⁰⁰ Certifications such as LEED ZERO, BREEAM, DGNB, and HQE are widely recognized standards that endorse sustainable and circular construction practices. However, these standards alone do not ensure compliance with EU Taxonomy requirements

¹⁰¹ Waste types include: concrete, bricks, tiles and ceramics; wood, glass and plastic; bituminous mixtures, coal tar and tarred products, metals, insulation materials, gypsum-based construction material

¹⁰² The operator demonstrates compliance with the 90% threshold by reporting different waste streams. Compliance demonstrated using EU Level 2 reporting framework

¹⁰³ Compliance demonstrated using EU Level 2 reporting framework

Eligibility	Criteria
	<ul style="list-style-type: none"> iii. for bio-based materials, a maximum of 80% of the total material come from primary raw material iv. for the combined total of glass, mineral insulation, a maximum of 70% of the total material come from primary raw material v. for non-biobased plastic, a maximum of 50% of the total material come from primary raw material vi. for metals, a maximum of 30% of the total material come from primary raw material vii. for gypsum, a maximum of 65% of the material come from primary raw material <p>E. The operator of the activity uses electronic tools to describe the characteristics of the building, including the materials and components used, using EN ISO 22057:2022 to provide Environmental Product Declarations (stored in a digital format and made available to investors and clients on demand). The operator ensures the long-term preservation of this information beyond the useful life of the building by using the information managing systems provided by national tools, such as cadastre or public register</p>
Santander-specific	<p>The activity complies with the following criteria:</p> <ol style="list-style-type: none"> 1. New buildings that have obtained or will in future obtain any of the following certifications of efficiency of the real estate: <ul style="list-style-type: none"> A. Buildings are within the top 15% energy efficiency of the national or regional building stock (e.g. EPC certificate or PED within the top 15%) B. LEED (Gold or above) C. BREEAM (Excellent or above where “Very good” can be acceptable with a minimum score of 70% in the Energy category) D. DGNB Certification (Gold or above) E. EDGE (Advanced or Zero Carbon); EDGE (Certified – Level 1) for Chile, Brazil, Uruguay, Mexico, Colombia and Peru. Consideration of EDGE (Certified – Level 1) to be reviewed on an annual basis. F. Energy Star for Buildings (85 or above) G. Green Globes (Three globes or above) H. HQE (Excellent or above) I. Living Building Challenges J. Minergie (Minergie-A and Standard Minergie) K. Passivhaus (Classic or above) L. Aqua-HQE (Excellent or above) M. Eco-casa (Level 1 or above) N. NGBS (Gold or above) O. Calificacion Energetica de Viviendas CEV (Rating A and B) P. Home Quality Mark (4 starts or above) Q. NABERS (4,5 stars or above) R. PBE Edificia (ENCE rating B) S. CCCS CASA Colombia v3.0

A.3.1.5.2. Construction of new commercial buildings in other countries (including EU and non-EU)

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with either (1.) or (2.):</p> <ol style="list-style-type: none"> 1. New buildings that comply with the following criteria: <ul style="list-style-type: none"> A. Actual (non-modelled) Primary Energy Demand (PED) of limited up to: <ul style="list-style-type: none"> i. 27 kWh/m²/year in BE-Flanders ii. 30 kWh/m²/year in Denmark

Eligibility	Criteria
	<ul style="list-style-type: none"> iii. 36 kWh/m²/year in Netherlands iv. 45 kWh/m²/year in France v. 50 kWh/m²/year in Slovenia vi. 55 kWh/m²/year in Slovakia vii. 56 kWh/m²/year in Estonia viii. 68 kWh/m²/year in Germany ix. 72 kWh/m²/year in Lithuania x. 81 kWh/m²/year in Hungary xi. 90 kWh/m²/year in Finland xii. 99 kWh/m²/year in Latvia xiii. 99 kWh/m²/year in Italy xiv. 113 kWh/m²/year in Cyprus xv. 126 kWh/m²/year in Bulgaria xvi. 261 kWh/m²/year in Malta <p>B. For buildings larger than 5,000 m², in addition they need to comply with the following criteria:</p> <ul style="list-style-type: none"> i. Building is subject to checks for airtightness and thermal integrity¹⁰⁴ post construction; deviations from the predetermined performance levels or defects are communicated to investors and clients. ii. Life-cycle Global Warming Potential (GWP) of the building has been calculated for each stage and is disclosed to investors and clients. <p>2. New buildings that have obtained or will in future obtain one of the following certificates:</p> <ul style="list-style-type: none"> A. HQE SB v4. Certification B. Buildings that have a PED that is 10% below the Net Zero Energy Building Certification™ (NZEB) C. Low-Carbon Buildings Climate Bond Initiative (CBI) Certification <p><i>OR Circular economy criteria</i></p> <p>1. Circular economy activities related to the construction of new buildings complies with all of the following criteria¹⁰⁵ [LTO]:</p> <ul style="list-style-type: none"> A. Improved waste identification, source separation and collection, waste logistics, waste processing, and quality management in place to achieve recycling of the non-hazardous waste¹⁰⁶ of rate of 90% (by mass in kilogrammes), excluding backfilling; Naturally occurring materials (such as soil and stones) are excluded; Sorting systems and pre-demolition audits required¹⁰⁷ B. The life-cycle Global Warming Potential (GWP) of the building has been calculated for each stage in the life cycle and is disclosed to investors and clients on demand C. Construction designs and techniques support circularity via the incorporation of concepts for design for adaptability and deconstruction. Compliance demonstrated using EU Level 2 reporting framework D. The use of primary raw material in the construction of the building is minimised through the use of secondary raw materials. The operator of the activity ensures that the three heaviest material categories used to construct the building, measured by mass in kilogrammes, comply with the following maximum total amounts of primary raw material used¹⁰⁸:

¹⁰⁴ Thermal integrity testing is not required if robust and traceable quality control processes are in place during construction

¹⁰⁵ Certifications such as LEED ZERO, BREEAM, DGNB, and HQE are widely recognized standards that endorse sustainable and circular construction practices. However, these standards alone do not ensure compliance with EU Taxonomy requirements

¹⁰⁶ Waste types include: concrete, bricks, tiles and ceramics; wood, glass and plastic; bituminous mixtures, coal tar and tarred products, metals, insulation materials, gypsum-based construction material

¹⁰⁷ The operator demonstrates compliance with the 90% threshold by reporting different waste streams. Compliance demonstrated using EU Level 2 reporting framework

¹⁰⁸ Compliance demonstrated using EU Level 2 reporting framework

Eligibility	Criteria
	<ul style="list-style-type: none"> i. For the combined total of concrete, natural or agglomerated stone, a maximum of 70% of the material come from primary raw material ii. For the combined total of brick, tile, ceramic, a maximum of 70% of the material come from primary raw material iii. For bio-based materials, a maximum of 80% of the total material come from primary raw material iv. For the combined total of glass, mineral insulation, a maximum of 70% of the total material come from primary raw material v. For non-biobased plastic, a maximum of 50% of the total material come from primary raw material vi. For metals, a maximum of 30% of the total material come from primary raw material vii. For gypsum, a maximum of 65% of the material come from primary raw material <p>E. The operator of the activity uses electronic tools to describe the characteristics of the building, including the materials and components used, using EN ISO 22057:2022 to provide Environmental Product Declarations (stored in a digital format and made available to investors and clients on demand). The operator ensures the long-term preservation of this information beyond the useful life of the building by using the information managing systems provided by national tools, such as cadastre or public register</p>
Santander-specific	<p>The activity complies with the following criteria:</p> <ol style="list-style-type: none"> 2. New buildings that have obtained or will in future obtain any of the following certifications of efficiency of the real estate: <ul style="list-style-type: none"> A. Building are within the top 15% energy efficiency of the national or regional building stock (e.g. EPC certificate or PED within the top 15%) B. LEED (Gold or above) C. BREEAM (Excellent or above where "Very good" can be acceptable with a minimum score of 70% in the Energy category) D. DGNB Certification (Gold or above) E. EDGE (Advanced or Zero Carbon); EDGE (Certified – Level 1) for Chile, Brazil, Uruguay, Mexico, Colombia and Peru. Consideration of EDGE (Certified – Level 1) to be reviewed on an annual basis. F. Energy Star for Buildings (85 or above) G. Green Globes (Three globes or above) H. HQE (Excellent or above) I. Living Building Challenges J. Minergie (Minergie-A and Standard Minergie) K. Passivhaus (Classic or above) L. Aqua-HQE (Excellent or above) M. Calificacion Energetica de Viviendas CEV (Rating A and B) N. Eco-casa (Level 1 or above) O. NGBS (Gold or above) P. Home Quality Mark (4 starts or above) Q. NABERS (4,5 stars or above) R. PBE Edificio (ENCE rating B) S. CCCS CASA Colombia v3.0

A.3.2. Renovation of existing buildings

Activity description

Construction and civil engineering works or preparation thereof.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with either (1.) or (2.):</p> <ol style="list-style-type: none"> 1. Retrofit of existing buildings that achieve a minimum 30% reduction in Primary Energy Demand. 2. Buildings that have obtained or will in future obtain one of the following certificates: <ol style="list-style-type: none"> A. HQE SB v4. Certification B. DGNB System for Renovation of Buildings C. Low-Carbon Buildings Climate Bond D. Net Zero Energy Building Certification™ (NZEB) <p>OR</p> <ol style="list-style-type: none"> 1. Circular economy activities related to the construction of new buildings complies with all of the following criteria¹⁰⁹ [LTO]: <ol style="list-style-type: none"> A. Improved waste identification, source separation and collection, waste logistics, waste processing, and quality management in place to achieve recycling of the non-hazardous waste¹¹⁰ of rate of 70% (by mass in kilograms), excluding backfilling; Naturally occurring materials (such as soil and stones) are excluded; Sorting systems and pre-demolition audits required¹¹¹ B. The life-cycle Global Warming Potential (GWP) of the building has been calculated for each stage in the life cycle and is disclosed to investors and clients on demand C. Construction designs and techniques support circularity via the incorporation of concepts for design for adaptability and deconstruction. Compliance demonstrated using EU Level 2 reporting framework D. At least 50% of the original building is retained (calculated based on the gross external floor area retained from the original building using the applicable national or regional measurement methodology, alternatively using the definition of 'IPMS 1' contained in the International Property Measurement Standards) E. The use of primary raw material in the construction of the building is minimised through the use of secondary raw materials. The operator of the activity ensures that the three heaviest material categories used to construct the building, measured by mass in kilograms, comply with the following maximum total amounts of primary raw material used¹¹²: <ol style="list-style-type: none"> i. for the combined total of concrete, natural or agglomerated stone, a maximum of 85% of the material come from primary raw material ii. for the combined total of brick, tile, ceramic, a maximum of 85% of the material come from primary raw material iii. for bio-based materials, a maximum of 90% of the total material come from primary raw material iv. for the combined total of glass, mineral insulation, a maximum of 85% of the total material come from primary raw material v. for non-biobased plastic, a maximum of 75% of the total material come from primary raw material vi. for metals, a maximum of 65% of the total material come from primary raw material vii. for gypsum, a maximum of 83% of the material come from primary raw material F. The operator of the activity uses electronic tools to describe the characteristics of the building, including the materials and components used, using EN ISO 22057:2022 to provide Environmental Product Declarations (stored in a digital format and made available to investors and clients on demand). The operator ensures the long-term

¹⁰⁹ Certifications such as LEED ZERO, BREEAM, DGNB, and HQE are widely recognized standards that endorse sustainable and circular construction practices. However, these standards alone do not ensure compliance with EU Taxonomy requirements

¹¹⁰ Waste types include: concrete, bricks, tiles and ceramics; wood, glass and plastic; bituminous mixtures, coal tar and tarred products, metals, insulation materials, gypsum-based construction material

¹¹¹ The operator demonstrates compliance with the 70% threshold by reporting different waste streams. Compliance demonstrated using EU Level 2 reporting framework

¹¹² Compliance demonstrated using EU Level 2 reporting framework

Eligibility	Criteria
	preservation of this information beyond the useful life of the building by using the information managing systems provided by national tools, such as cadastre or public register
Santander-specific	<p>Either (1.) or (2.):</p> <p>2. Buildings that have obtained or will in future obtain any of the following certifications of efficiency of the real estate:</p> <ul style="list-style-type: none"> A. Aqua-HQE (Excellent or above) B. BCA Green Mark (Gold Plus or above) C. BREEAM (Excellent or above where “Very good” can be acceptable with a minimum score of 70% in the Energy category) D. Calificacion Energetica de Viviendas CEV (Rating A+ and A) E. EDGE Advanced (L2) or Zero Carbon (L3) for EU / developed countries; EDGE certified (L1) for emerging markets F. EPC within top 15% of the national or regional building stock G. Energy Star for Buildings (85 or above) H. Green Globes (Three globes or above) I. LEED (Gold or above) J. Minergie (Minergie-A and Standard Minergie) K. Passivhaus (Classic or above) L. NGBS (Gold or above) M. Adene Certificação de eficiência energética e qualidade do ar (SCE) N. Home Quality Mark (4 starts or above) O. NABERS (4,5 stars or above) <p>3. Equivalent Energy Efficiency Ratings. The benchmark for equivalents is the consequential energy ratings broadly align with the notion of being in the top 15% of energy efficiency for real estate in the region/country</p>

A.3.3. Installation, maintenance and repair of energy efficiency equipment

Activity description

Individual renovation measures consisting in installation, maintenance, or repair of energy efficiency equipment.

Eligibility	Criteria
EU Taxonomy consistent	<p>1. The activity complies with <u>one</u> of the following individual measures; where applicable, are rated within the highest two populated classes of energy efficiency for Energy Labelling Regulation (Before 2021: A+++ and A++; After 2021: A and B) [LTO]:</p> <ul style="list-style-type: none"> A. Replacement of windows to boost energy efficiency, including thermal windows B. Replacement of external doors to boost energy efficiency C. Replacement and installation of household appliances, or equivalent country standard. Examples include external walls (including green walls), roofs (including green roofs), lofts, basements, and ground floors (including measures to ensure airtightness, measures to reduce the effects of thermal bridges and scaffolding) and products for the application of the insulation to the building envelope (including mechanical fixings and adhesive) D. Installation, replacement, maintenance and repair of heating, ventilation, and air-conditioning (HVAC) and water heating systems (e.g., renewable electricity, solar floor heating, biomass heaters), including equipment related to district heating services, with highly efficient technologies. E. Installation and replacement of energy-efficient light sources (e.g., LED lighting) F. Installation of low water and energy using kitchen and sanitary water fittings: <ul style="list-style-type: none"> i. The flow rate is recorded at the standard reference pressure 3 -0/+ 0,2 bar or 0,1 - 0/+0,02 for products limited to low pressure ii. The flow rate at the lower pressure 1,5 -0/+ 0,2 bar is ≥ 60 % of the maximum available flow rate iii. For mixer showers, the reference temperature is 38 ± 1°C iv. Where the flow has to be lower than 6 L/min, it complies with the rule set out in point b
Santander-specific	<p>1. The activity complies with <u>one</u> of the following individual measures:</p> <ul style="list-style-type: none"> A. Replacement of windows to boost energy efficiency, including thermal windows B. Replacement of external doors to boost energy efficiency C. Replacement and installation of household appliances, or equivalent country standard. Examples include external walls (including green walls), roofs (including green roofs), lofts, basements, and ground floors (including measures to ensure airtightness, measures to reduce the effects of thermal bridges and scaffolding) and products for the application of the insulation to the building envelope (including mechanical fixings and adhesive) D. Installation, replacement, maintenance and repair of heating, ventilation, and air-conditioning (HVAC) and water heating systems (e.g., renewable electricity, solar floor heating, biomass heaters), including equipment related to district heating services, with highly efficient technologies. E. Installation and replacement of energy-efficient light sources (e.g., LED lighting) A. Installation of low water and energy using kitchen and sanitary water fittings <p>2. When the instrument/products/services cannot be isolated from supplemental activities:</p> <ul style="list-style-type: none"> A. Eligible assets should constitute more than 50% of the total invoice B. Eligible assets and associated services (including installation, delivery, etc.) should make up over 90% of the total invoice

A.3.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)

Activity description

Installation, maintenance, and repair of charging stations for electric vehicles in buildings and parking spaces attached to buildings.

Eligibility	Criteria
EU Taxonomy consistent	Installation, maintenance, or repair of charging stations for electric vehicles
Santander-specific	Not Applicable

A.3.5. Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings

Activity description

Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings.

Eligibility	Criteria
EU Taxonomy consistent	Installation, maintenance, and repair of <u>one</u> of the following measures: 1. Zone and smart thermostats and sensors (e.g., for motion and daylight) 2. Building automation and control systems/ domotics, building energy management systems (BMS), lighting control systems and energy management systems (EMS) 3. Smart meters for heating, cooling, and electricity 4. Façade and roofing elements with solar shading or control functions (e.g., for growing vegetation) 5. Smart meters for gas usage tracking
Santander-specific	Not Applicable

A.3.6. Installation, maintenance and repair of renewable energy technologies

Activity description

Installation, maintenance and repair of renewable energy technologies, on-site.

Eligibility	Criteria
EU Taxonomy consistent	Installation, maintenance, and repair of <u>one</u> of the following measures: 1. Solar photovoltaic systems and the ancillary technical equipment 2. Solar hot water panels and the ancillary technical equipment 3. Heat pumps and the ancillary technical equipment 4. Wind turbines and the ancillary technical equipment 5. Solar transpired collectors and the ancillary technical equipment 6. Thermal or electric energy storage units and the ancillary technical equipment 7. High efficiency micro-CHP (combined heat and power) plant 8. Heat exchanger/recovery systems
Santander-specific	Not Applicable

A.3.7. Acquisition and ownership

Activity description

Buying real estate and exercising ownership of that real estate. Any reference to floor size refers to gross floor area.

A.3.7.1. In Spain

A.3.7.1.1. Acquisition and ownership of residential buildings in Spain

Eligibility	Criteria
EU Taxonomy consistent	The activity complies with either (1.) or (2.): 1. Buildings built before 31 December 2020 that are within the top 15% energy efficiency of the national or regional building stock, which as of December 2021 considers buildings that have an Energy Performance Certificate (EPC) of: A. C or above ¹¹³ in Andalucía, Aragón, Baleares, Castilla y León, Castilla La Mancha, Ceuta, Galicia, Madrid, Melilla, Navarra, Rioja B. D or above ¹¹³ in Asturias, Canarias, Cantabria, Cataluña, Extremadura, Murcia, País Vasco, Valencia 2. Buildings built after 31 December 2020 that have an actual (non-modelled) Primary Energy Demand (PED) from non-renewables limited up to: A. In mainland territory: i. 18.0 kWh/m ² / year in Climatic Zone α ii. 22.5 kWh/m ² / year in Climatic Zone A iii. 25.2 kWh/m ² / year in Climatic Zone B iv. 28.8 kWh/m ² / year in Climatic Zone C v. 34.2 kWh/m ² / year in Climatic Zone D vi. 38.7 kWh/m ² / year in Climatic Zone E

¹¹³ As of November 2024 with December 2022 data; Periodic review to be conducted every year, required to ensure compliance with the EU Taxonomy 15% threshold, [given changes in EPC distribution](#).

Eligibility	Criteria
	<p>B. In non-mainland territory (Balearic Islands, Canary Islands, Ceuta and Melilla):</p> <ul style="list-style-type: none"> i. 22.5 kWh/m²/ year in Climatic Zone α ii. 28.1 kWh/m²/ year in Climatic Zone A iii. 31.5 kWh/m²/ year in Climatic Zone B iv. 36.0 kWh/m²/ year in Climatic Zone C v. 42.8 kWh/m²/ year in Climatic Zone D vi. 48.4 kWh/m²/ year in Climatic Zone E <p>Or</p> <ol style="list-style-type: none"> 1. Buildings that have obtained or will in future obtain one of the following certificates: <ol style="list-style-type: none"> A. HQE SB v4. Certification B. Buildings that have a PED that is 10% below the Net Zero Energy Building Certification™ (NZEB) C. [To come in 2024] Low-Carbon Buildings Climate Bond Initiative (CBI) Certification¹¹⁴
Santander-specific	<p>The activity complies with the following criteria:</p> <ol style="list-style-type: none"> 2. New or existing buildings that have obtained or will in future obtain any of the following certifications of efficiency of the real estate: <ul style="list-style-type: none"> A. Buildings built after 31 December 2020 or with modelled evidence that are within the top 15% energy efficiency of the national or regional building stock. For example, as of December 2021 considers buildings that have an Energy Performance Certificate (EPC) in Spain of: <ul style="list-style-type: none"> i. C or above¹¹⁵ in Andalucía, Aragón, Baleares, Castilla y León, Castilla La Mancha, Ceuta, Galicia, Madrid, Melilla, Navarra, Rioja ii. D or above¹¹⁵ in Asturias, Canarias, Cantabria, Cataluña, Extremadura, Murcia, País Vasco, Valencia B. LEED (Gold or above) C. BREEAM (Excellent or above where “Very good” can be acceptable with a minimum score of 70% in the Energy category) D. DGNB Certification (Gold or above) E. EDGE (Advanced or Zero Carbon) F. Passivhaus (Classic or above) G. Home Quality Mark (4 starts or above) H. NABERS (4,5 stars or above) I. PBE Edificia (ENCE rating B)

A.3.7.1.2. Acquisition and ownership of commercial buildings in Spain

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with either (1.) or (2.):</p> <ol style="list-style-type: none"> 1. Buildings built before 31 December 2020 that are within the top 15% energy efficiency of the national or regional building stock, which as of December 2021 considers buildings that have an Energy Performance Certificate (EPC) of: <ul style="list-style-type: none"> A. C or above¹¹⁶ in Andalucía, Aragón, Baleares, Castilla y León, Castilla La Mancha, Ceuta, Galicia, Madrid, Melilla, Navarra, Rioja

¹¹⁴ In October 2023, the Climate Bond Initiative (CBI) introduced a certification program for commercial buildings, fully aligned with the EU taxonomy. Residential standards are set to be released in December 2023

¹¹⁵ As of November 2024 with December 2022 data; Periodic review to be conducted every year, required to ensure compliance with the EU Taxonomy 15% threshold, [given changes in EPC distribution](#).

¹¹⁶ As of November 2024 with December 2022 data; Periodic review to be conducted every year, required to ensure compliance with the EU Taxonomy 15% threshold, [given changes in EPC distribution](#).

Eligibility	Criteria
	<p>B. D or above¹¹⁶ in Asturias, Canarias, Cantabria, Cataluña, Extremadura, Murcia, País Vasco, Valencia</p> <p>C. Large non-residential buildings are efficiently operated through energy performance monitoring and assessments</p> <p>2. Buildings built after 31 December 2020 that comply with <u>all</u> of the following criteria: The building's actual (non-modelled) Primary Energy Demand (PED) from non-renewables is limited up to [see baseline values below per climatic zone] + 8 * (1 – 10%) * CFI¹¹⁷</p> <p>A. Baseline values in mainland territory:</p> <ul style="list-style-type: none"> i. 63.0 kWh/m²/ year in Climatic Zone α ii. 49.5 kWh/m²/ year in Climatic Zone A iii. 45.0 kWh/m²/ year in Climatic Zone B iv. 31.5 kWh/m²/ year in Climatic Zone C v. 18.0 kWh/m²/ year in Climatic Zone D vi. 9.0 kWh/m²/ year in Climatic Zone E <p>B. Baseline values in non-mainland territory (Balearic Islands, Canary Islands, Ceuta, and Melilla):</p> <ul style="list-style-type: none"> i. 88.2 kWh/m²/ year in Climatic Zone α ii. 69.3 kWh/m²/ year in Climatic Zone A iii. 63.0 kWh/m²/ year in Climatic Zone B iv. 44.1 kWh/m²/ year in Climatic Zone C v. 25.2 kWh/m²/ year in Climatic Zone D vi. 12.6 kWh/m²/ year in Climatic Zone E <p>C. Large non-residential buildings are efficiently operated through energy performance monitoring and assessments</p> <p>Or</p> <p>1. Buildings that have obtained or will in future obtain one of the following certificates:</p> <p>A. HQE SB v4. Certification</p> <p>B. Buildings that have a PED that is 10% below the Net Zero Energy Building Certification™ (NZEB)</p> <p>C. Low-Carbon Buildings Climate Bond Initiative (CBI) Certification</p>

¹¹⁷ "Carga interna media" (CFI) refers to the average internal load within a building or a specific area of a building over a typical week. It quantifies the internal load generated by various sources such as occupants, electrical equipment, lighting, etc., and is expressed in W/m². The formula for calculating the average internal load (CFI) is as follows:

• CFI = ($\sum C_{oc}$ / (7·24)) + ($\sum C_{il}$ / (7·24)) + ($\sum C_{eq}$ / (7·24))

Where:

• CFI is the average internal load per unit area of the building or building area (expressed in W/m²).

• $\sum C_{oc}$ is the sum of nominal sensible loads due to occupancy [W/m²] per hour over a typical week.

• $\sum C_{il}$ is the sum of nominal lighting loads [W/m²] per hour over a typical week.

• $\sum C_{eq}$ is the sum of nominal equipment loads [W/m²] per hour over a typical week.

The "Carga interna media" (CFI) of the building is obtained by weighting the average internal load of each space by its usable area. The resulting value is expressed in W/m².

Eligibility	Criteria
Santander-specific	<p>The activity complies with the following criteria:</p> <ol style="list-style-type: none"> 1. New or existing buildings that have obtained or will in future obtain any of the following certifications of efficiency of the real estate: <ol style="list-style-type: none"> A. Buildings built after 31 December 2020 or with modelled evidence that are within the top 15% energy efficiency of the national or regional building stock. For example, as of December 2021 considers buildings that have an Energy Performance Certificate (EPC) in Spain of: <ol style="list-style-type: none"> i. C or above¹¹⁸ in Andalucía, Aragón, Baleares, Castilla y León, Castilla La Mancha, Ceuta, Galicia, Madrid, Melilla, Navarra, Rioja ii. D or above¹¹⁸ in Asturias, Canarias, Cantabria, Cataluña, Extremadura, Murcia, País Vasco, Valencia B. LEED (Gold or above) C. BREEAM (Excellent or above where “Very good” can be acceptable with a minimum score of 70% in the Energy category) D. DGNB Certification (Gold or above) E. EDGE (Advanced or Zero Carbon) F. Passivhaus (Classic or above) G. Home Quality Mark (4 starts or above) H. NABERS (4,5 stars or above) I. PBE Edificia (ENCE rating B)

¹¹⁸ As of November 2024 with December 2022 data; Periodic review to be conducted every year, required to ensure compliance with the EU Taxonomy 15% threshold, [given changes in EPC distribution](#).

A.3.7.2. In Portugal

A.3.7.2.1. Acquisition and ownership of residential buildings in Portugal

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with either (1.) or (2.):</p> <ol style="list-style-type: none"> 1. Buildings built before 31 December 2020 that are within the top 15% energy efficiency of the national or regional building stock, which as of September 2023 considers actual (non-modelled) Energy Performance Certificates (EPC) B or above in Portugal¹¹⁹ 2. Buildings built after 31 December 2020 that have an actual (non-modelled) RNT of <0.45¹²⁰ <p>Or</p> <ol style="list-style-type: none"> 3. Buildings that have obtained or will in future obtain one of the following certificates: <ol style="list-style-type: none"> A. HQE SB v4. Certification B. Buildings that have a PED that is 10% below the Net Zero Energy Building Certification™ (NZEB) C. [To come in 2024] Low-Carbon Buildings Climate Bond Initiative (CBI) Certification¹²¹
Santander-specific	<p>The activity complies with the following criteria:</p> <ol style="list-style-type: none"> 1. Buildings that have obtained or will in future obtain any of the following certifications of efficiency of the real estate: <ol style="list-style-type: none"> A. Buildings built after 31 December 2020 or with modelled evidence that are within the top 15% energy efficiency of the national or regional building stock. For example, as of September 2023 considers Energy Performance Certificates (EPC) B or above in Portugal¹²² B. LEED (Gold or above) C. BREEAM (Excellent or above where “Very good” can be acceptable with a minimum score of 70% in the Energy category) D. DGNB Certification (Gold or above) E. EDGE (Advanced or Zero Carbon) F. Passivhaus (Classic or above) G. Home Quality Mark (4 stars or above) H. NABERS (4,5 stars or above) I. PBE Edifício (ENCE rating B) J. Lider A (C Level or above, as long it complies with Top 15% more efficient if built before 31 December 2020) K. Adene Certificação de eficiência energética e qualidade do ar (SCE – A or above classification, as long it represents the top. 15% more efficient if built before 31 December 2020)

¹¹⁹ As of November 2024; Periodic review to be conducted quarterly or at least annually, required to ensure compliance with the EU Taxonomy 15% threshold, [given changes in EPC distribution of the national building stock](#) (including existing buildings, newly constructed buildings, and those that have undergone renovations).

¹²⁰ RNT = Nominal annual global primary energy demand - value (Nt) / Nominal annual global primary energy demand - reference (Nt)

¹²¹ In October 2023, the Climate Bond Initiative (CBI) introduced a certification program for commercial buildings, fully aligned with the EU taxonomy. Residential standards are set to be released in December 2023

¹²² As of September 2023; Periodic review to be conducted quarterly or at least annually, required to ensure compliance with the EU Taxonomy 15% threshold, [given changes in EPC distribution of the national building stock](#) (including existing buildings, newly constructed buildings, and those that have undergone renovations).

A.3.7.2.2. Acquisition and ownership of commercial buildings in Portugal

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with either (1.) or (2.):</p> <ol style="list-style-type: none"> 1. Buildings built before 31 December 2020 that are within the top 15% energy efficiency of the national or regional building stock, which as of September 2023 considers actual (non-modelled) Energy Performance Certificates (EPC) B or above in Portugal¹²³ Large non-residential buildings are efficiently operated through energy performance monitoring and assessments 2. Buildings built after 31 December 2020 that are comply with all of the following: <ol style="list-style-type: none"> A. Buildings that have an actual (non-modelled) RIEE of <0.675¹²⁴ B. Large non-residential buildings are efficiently operated through energy performance monitoring and assessment <p>Or</p> <ol style="list-style-type: none"> 3. Buildings that have obtained or will in future obtain one of the following certificates: <ol style="list-style-type: none"> A. HQE SB v4. Certification B. Buildings that have a PED that is 10% below the Net Zero Energy Building Certification™ (NZEB) C. Low-Carbon Buildings Climate Bond Initiative (CBI) Certification
Santander-specific	<p>The activity complies with the following criteria:</p> <ol style="list-style-type: none"> 1. Buildings that have obtained or will in future obtain any of the following certifications of efficiency of the real estate: <ol style="list-style-type: none"> A. Buildings built after 31 December 2020 or with modelled evidence that are within the top 15% energy efficiency of the national or regional building stock. For example, as of September 2023 considers Energy Performance Certificates (EPC) B or above in Portugal¹²⁵ B. LEED (Gold or above) C. BREEAM (Excellent or above where “Very good” can be acceptable with a minimum score of 70% in the Energy category) D. DGNB Certification (Gold or above) E. EDGE (Advanced or Zero Carbon) F. Passivhaus (Classic or above) G. Home Quality Mark (4 starts or above) H. NABERS (4,5 stars or above) I. PBE Edifício (ENCE rating B) J. Lider A (C Level or above, as long it complies with Top 15% more efficient if built before 31 December 2020) K. Adene Certificação de eficiência energética e qualidade do ar (SCE – A or above classification, as long it represents the top. 15% more efficient if built before 31 December 2020)

¹²³ As of November 2024; Periodic review to be conducted quarterly or at least annually to ensure compliance with the EU Taxonomy 15% threshold, given changes in EPC distribution of the national building stock (including existing buildings, newly constructed buildings, and those that have undergone renovations).

¹²⁴ RIEE = $(\text{IEE pr, S} - \text{IEE pr, ren}) / \text{IEE ref, s}$

- RIEE = Energy class ratio in commercial and service buildings

- IEE pr, S = Projected energy efficiency indicator of type S1 (includes ambient heating and cooling, ventilation and pumping in air conditioning systems, heating of sanitary water and swimming pools, interior lighting, elevators, stairs, and escalators, exterior lighting, from non-renewable sources)

- IEE pr, ren = Projected renewable energy efficiency indicator

- IEE ref, s = Reference energy efficiency indicator

¹²⁵ As of September 2023; Periodic review to be conducted quarterly or at least annually, required to ensure compliance with the EU Taxonomy 15% threshold, given changes in EPC distribution of the national building stock (including existing buildings, newly constructed buildings, and those that have undergone renovations).

A.3.7.3. In Poland

A.3.7.3.1. Acquisition and ownership of residential buildings in Poland

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with either (1.) or (2.).:</p> <ol style="list-style-type: none"> 1. Buildings built before 31 December 2020 that are within the top 15% energy efficiency of the national or regional building stock¹²⁶ 2. Buildings built after 31 December 2020 that have an actual (non-modelled) Primary Energy Demand (PED) limited up to 63 kWh/m²/year for single family residential properties; 58,5 kWh/m²/year for multifamily residential properties; 67,5 kWh/m²/year for collective residency buildings (hotels and other accommodation). <p>Or</p> <ol style="list-style-type: none"> 3. Buildings that have obtained or will in future obtain one of the following certificates: <ol style="list-style-type: none"> A. HQE SB v4. Certification B. Buildings that have a PED that is 10% below the Net Zero Energy Building Certification™ (NZEB) i. [To come in 2024] Low-Carbon Buildings Climate Bond Initiative (CBI) Certification¹²⁷
Santander-specific	<p>The activity complies with the following criteria:</p> <ol style="list-style-type: none"> 1. Buildings that have obtained or will in future obtain any of the following certifications of efficiency of the real estate: <ol style="list-style-type: none"> A. Buildings built after 31 December 2020 or with modelled evidence that are within the top 15% energy efficiency of the national or regional building stock. For example, as of November 2023 considers buildings with a Primary Energy Demand (PED) < 76.59 kWh/m²/year in Poland¹²⁸ B. LEED (Gold or above) C. BREEAM (Excellent or above where “Very good” can be acceptable with a minimum score of 70% in the Energy category) D. DGNB Certification (Gold or above) E. EDGE (Advanced or Zero Carbon) F. Passivhaus (Classic or above) G. Home Quality Mark (4 stars or above) H. NABERS (4,5 stars or above) I. PBE Edificia (ENCE rating B)

¹²⁶ Periodic review to be conducted quarterly or at least annually, required to ensure compliance with the EU Taxonomy 15% threshold, [given changes in PED distribution](#).

¹²⁷ In October 2023, the Climate Bond Initiative (CBI) introduced a certification program for commercial buildings, fully aligned with the EU taxonomy. Residential standards are set to be released in December 2023

¹²⁸ As of November 2023; Periodic review to be conducted quarterly or at least annually, required to ensure compliance with the EU Taxonomy 15% threshold, [given changes in PED distribution](#).

A.3.7.3.2. Acquisition and ownership of commercial buildings in Poland

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with either (1.) or (2.):</p> <ol style="list-style-type: none"> 1. Buildings built before 31 December 2020 that are within the top 15% energy efficiency of the national or regional building stock¹²⁹ Large non-residential buildings are efficiently operated through energy performance monitoring and assessments 2. Buildings built after 31 December 2020 comply with all of the following criteria: <ol style="list-style-type: none"> A. The building's an actual (non-modelled) Primary Energy Demand (PED) is limited up to 171 kWh/m²/year for public utility buildings including hospitals, shopping malls, offices and healthcare buildings; 40,5 kWh/m²/year for other public buildings or 63 kWh/m²/year for non-public buildings such as utility, warehouses and production buildings. B. . C. thermal integrity testing is not required if robust and traceable quality control processes are in place during construction D. Large non-residential buildings are efficiently operated through energy performance monitoring and assessment <p>Or</p> <ol style="list-style-type: none"> 3. Buildings that have obtained or will in future obtain one of the following certificates: <ol style="list-style-type: none"> A. HQE SB v4. Certification B. Buildings that have a PED that is 10% below the Net Zero Energy Building Certification™ (NZEB) C. Low-Carbon Buildings Climate Bond Initiative (CBI) Certification
Santander-specific	<p>The activity complies with the following criteria:</p> <ol style="list-style-type: none"> 1. Buildings that have obtained or will in future obtain any of the following certifications of efficiency of the real estate: <ol style="list-style-type: none"> A. Buildings built after 31 December 2020 or with modelled evidence that are within the top 15% energy efficiency of the national or regional building stock. For example, as of November considers buildings with a Primary Energy Demand (PED) < 118.26 kWh/m²/year in Poland¹³⁰ B. LEED (Gold or above) C. BREEAM (Excellent or above where "Very good" can be acceptable with a minimum score of 70% in the Energy category) D. DGNB Certification (Gold or above) E. EDGE (Advanced or Zero Carbon) F. Passivhaus (Classic or above) G. Home Quality Mark (4 stars or above) H. NABERS (4,5 stars or above) I. PBE Edificia (ENCE rating B)

¹²⁹ Periodic review to be conducted quarterly or at least annually, required to ensure compliance with the EU Taxonomy 15% threshold, [given changes in PED distribution](#).

¹³⁰ As of November 2023; Periodic review to be conducted quarterly or at least annually, required to ensure compliance with the EU Taxonomy 15% threshold, [given changes in PED distribution](#).

A.3.7.4. In the UK

A.3.7.4.1. Acquisition and ownership of residential buildings in the UK (for commercial buildings please refer to A.3.7.5.2)

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with either (1). or (2.):</p> <ol style="list-style-type: none"> 1. Buildings built before 31 December 2020 that are within the top 15% energy efficiency of the national or regional building stock. For example, which as of November 2023 considers Energy Performance Certificate (EPC) B or above for England, Wales, Scotland, and Northern Ireland (SAP above 79)¹³¹ 2. Buildings built after 31 December 2020 that have a Primary Energy Demand (PED) limited up to 40 kWh/m²/year Or 3. Buildings that have obtained or will in future obtain one of the following certificates: <ol style="list-style-type: none"> A. HQE SB v4. Certification B. Buildings that have a PED that is 10% below the Net Zero Energy Building Certification™ (NZEB) 4. [To come in 2024] Low-Carbon Buildings Climate Bond Initiative (CBI) Certification¹³²
Santander-specific	<p>The activity complies with the following criteria:</p> <ol style="list-style-type: none"> 1. New or existing buildings that have obtained or will in future obtain any of the following certifications of efficiency of the real estate: <ol style="list-style-type: none"> A. Buildings built after 31 December 2020 or with modelled evidence that are within the top 15% energy efficiency of the national or regional building stock. For example, as of November 2023 considers Energy Performance Certificate (EPC) B or above for England, Wales, Scotland and Northern Ireland (SAP above 79)¹³³ B. LEED (Gold or above) C. BREEAM (Excellent or above where “Very good” can be acceptable with a minimum score of 70% in the Energy category) D. DGNB Certification (Gold or above) E. EDGE (Advanced or Zero Carbon) F. Passivhaus (Classic or above) G. Home Quality Mark (4 stars or above) H. NABERS (4,5 stars or above) I. PBE Edifica (ENCE rating B)

¹³¹ As of November 2024; Periodic review to be conducted quarterly or at least annually, required to ensure compliance with the EU Taxonomy 15% threshold, given changes in EPC distribution:

- [For England and Wales](#)
- [For Scotland](#)
- For Northern Ireland: Landmark

¹³² In October 2023, the Climate Bond Initiative (CBI) introduced a certification program for commercial buildings, fully aligned with the EU taxonomy. Residential standards are set to be released in December 2023

¹³³ As of November 2023; Periodic review to be conducted quarterly or at least annually, required to ensure compliance with the EU Taxonomy 15% threshold, given changes in EPC distribution:

- [For England and Wales](#)
- [For Scotland](#)
- For Northern Ireland: Landmark

A.3.7.5. In all other countries (including EU and non-EU)

A.3.7.5.1. Acquisition and ownership of residential buildings in other countries (including EU and non-EU)

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with either (1.) or (2.):</p> <ol style="list-style-type: none">1. Buildings built before 31 December 2020 that have at least an Energy Performance Certificate (EPC) of class A or that are within the top 15% energy efficiency of the national or regional building stock (e.g., EPC certificate or PED within the top 15%)Buildings built after 31 December 2020 that have an actual (non-modelled) Primary Energy Demand (PED) limited up to (to confirm with latest market data available at the time of transaction):<ol style="list-style-type: none">A. 18 kWh/m²/year in BE- FlandersB. 24 kWh/m²/year in DenmarkC. 32 kWh/m²/year in ItalyD. 36 kWh/m²/year in GermanyE. 38 kWh/m²/year in IrelandF. 45 kWh/m²/year in NetherlandsG. 49 kWh/m²/year in SlovakiaH. 54 kWh/m²/year in LithuaniaI. 68 kWh/m²/year in SloveniaJ. 68 kWh/m²/year in FranceK. 77 kWh/m²/year in BE-WalhoniaL. 86 kWh/m²/year in BulgariaM. 86 kWh/m²/year in LatviaN. 90 kWh/m²/year in CyprusO. 90 kWh/m²/year in Hungary <p>Or</p> <ol style="list-style-type: none">2. Buildings that have obtained or will in future obtain <u>one</u> of the following certificates:<ol style="list-style-type: none">A. HQE SB v4. CertificationB. Buildings that have a PED that is 10% below the Net Zero Energy Building Certification™ (NZEB)C. [To come in 2024] Low-Carbon Buildings Climate Bond Initiative (CBI) Certification¹³⁴

¹³⁴ In October 2023, the Climate Bond Initiative (CBI) introduced a certification program for commercial buildings, fully aligned with the EU taxonomy. Residential standards are set to be released in December 2023

Eligibility	Criteria
Santander-specific	<p>The activity complies with the following criteria:</p> <ol style="list-style-type: none"> 1. New or existing buildings that have obtained or will in future obtain any of the following certifications of efficiency of the real estate: <ul style="list-style-type: none"> A. Buildings are within the top 15% energy efficiency of the national or regional building stock (e.g., EPC certificate or PED within the top 15%) B. LEED (Gold or above) C. BREEAM (Excellent or above where “Very good” can be acceptable with a minimum score of 70% in the Energy category) D. Energy Performance Certificate (EPC) (B or above in Italy) E. DGNB Certification (Gold or above) F. EDGE (Advanced or Zero Carbon); EDGE (Certified – Level 1) for Chile, Brazil, Argentina, Uruguay, Mexico, Colombia and Peru. Consideration of EDGE (Certified – Level 1) to be reviewed on an annual basis. G. Energy Star for Buildings (85 or above) H. Green Globes (Three globes or above) I. HQE (Excellent or above) J. Living Building Challenges K. Minergie (Minergie-A and Standard Minergie) L. Passivhaus (Classic or above) M. Aqua-HQE (Excellent or above) N. Calificacion Energetica de Viviendas CEV (Rating A and B) O. Eco-casa (Level 1 or above) P. NGBS (Gold or above) Q. Home Quality Mark (4 stars or above) R. NABERS (4,5 stars or above) S. PBE Edificio (ENCE rating B) T. CCCS CASA Colombia v3.0

A.3.7.5.2. Acquisition and ownership of commercial buildings in other countries (including EU and non-EU)

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with either (1.) or (2.):</p> <ol style="list-style-type: none"> 1. Buildings built before 31 December 2020 that have at least an Energy Performance Certificate (EPC) of class A or that are within the top 15% energy efficiency of the national or regional building stock (e.g., EPC certificate or PED within the top 15%) <ul style="list-style-type: none"> A. Large non-residential buildings are efficiently operated through energy performance monitoring and assessment 2. Buildings built after 31 December 2020 comply with all of the following criteria: <ul style="list-style-type: none"> A. Actual (non-modelled) Primary Energy Demand (PED) of limited up to (to confirm with latest market data available at the time of transaction): <ul style="list-style-type: none"> i. 27 kWh/m²/year in BE-Flanders ii. 30 kWh/m²/year in Denmark iii. 36 kWh/m²/year in Netherlands iv. 45 kWh/m²/year in France v. 50 kWh/m²/year in Slovenia vi. 55 kWh/m²/year in Slovakia vii. 56 kWh/m²/year in Estonia viii. 68 kWh/m²/year in Germany

Eligibility	Criteria
	<p>ix. 72 kWh/m²/year in Lithuania x. 81 kWh/m²/year in Hungary xi. 90 kWh/m²/year in Finland xii. 99 kWh/m²/year in Latvia xiii. 99 kWh/m²/year in Italy xiv. 113 kWh/m²/year in Cyprus xv. 126 kWh/m²/year in Bulgaria xvi. 261 kWh/m²/year in Malta</p> <p>B. Large non-residential buildings are efficiently operated through energy performance monitoring and assessment</p> <p>Or</p> <p>3. Buildings that have obtained or will in future obtain one of the following certificates:</p> <ul style="list-style-type: none"> A. HQE SB v4. Certification B. Buildings that have a PED that is 10% below the Net Zero Energy Building Certification™ (NZEB) C. Low-Carbon Buildings Climate Bond Initiative (CBI) Certification
Santander-specific	<p>The activity complies with the following criteria:</p> <ol style="list-style-type: none"> 1. New or existing buildings that have obtained or will in future obtain any of the following certifications of efficiency of the real estate: <ul style="list-style-type: none"> A. Building are within the top 15% energy efficiency of the national or regional building stock (e.g. EPC certificate or PED within the top 15%) B. LEED (Gold or above) C. BREEAM (Excellent or above where “Very good” can be acceptable with a minimum score of 70% in the Energy category) D. Energy Performance Certificate (EPC) (B or above in Italy) E. DGNB Certification (Gold or above) F. EDGE (Advanced or Zero Carbon); EDGE (Certified – Level 1) for Chile, Brazil, Argentina, Uruguay, Mexico, Colombia and Peru. Consideration of EDGE (Certified – Level 1) to be reviewed on an annual basis. G. Energy Star for Buildings (85 or above) H. Green Globes (Three globes or above) I. HQE (Excellent or above) J. Living Building Challenges K. Minergie (Minergie-A and Standard Minergie) L. Passivhaus (Classic or above) M. Aqua-HQE (Excellent or above) N. Calificacion Energetica de Viviendas CEV (Rating A and B) O. Eco-casa (Level 1 or above) P. NGBS (Gold or above) Q. Home Quality Mark (4 starts or above) R. NABERS (4,5 stars or above) S. PBE Edificia (ENCE rating B) T. CCCS CASA Colombia v3.0

A.3.8. Demolition and wrecking of buildings and other structures

Activity description

The demolition and wrecking of buildings, roads and runways, railways, bridges, tunnels, wastewater treatment works, water treatment works, pipelines, wells and boreholes, power-generating plants, chemical plants, dams and reservoirs, mines and quarries, offshore structures, near shore works, ports, waterway works or land formation and reclamation.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with all of the following criteria [LTO]:</p> <ol style="list-style-type: none">1. Prior to the start of the demolition or wrecking activity, at least the following aspects are discussed and agreed upon with the client:<ol style="list-style-type: none">A. Definition of key performance indicators and target ambition levelB. Identification of project-specific constraints that may compromise the target ambition level (such as time, labour and space) and how to minimise these constraintsC. Details of the pre-demolition auditing procedureD. An outline waste management plan that prioritises selective deconstruction, decontamination and source separation of waste streams2. Pre-demolition audits are necessary for improved waste identification, source separation, and collection, as well as quality management3. For the preparing for re-use or recycling of the non-hazardous¹³⁵ construction and demolition waste generated, either (a.) or (b.) are complied with:<ol style="list-style-type: none">A. Is at least 90% (by mass in kilogrammes), excluding backfilling; naturally occurring materials (such as soil and stones) are excluded¹³⁶B. At least 95% of the mineral fraction and 70% of the non-mineral fraction of the non-hazardous demolition waste is separately collected and prepared for reuse or recycled
Santander-specific	For non-EU countries, same as EU taxonomy consistent criteria excepting compliance with LTO

¹³⁵ Waste types include: concrete, bricks, tiles and ceramics; wood, glass and plastic; bituminous mixtures, coal tar and tarred products, metals, insulation materials, gypsum-based construction material

¹³⁶ The operator demonstrates compliance with the 90% threshold by reporting different waste streams. Compliance demonstrated using EU Level 2 reporting framework

A.3.9. Maintenance of roads and motorways

Activity description

Maintenance of streets, roads and motorways, other vehicular and pedestrian ways, surface work on streets, roads, highways, bridges, tunnels, aerodrome runways, taxiways and aprons, defined as all actions undertaken to maintain and restore the serviceability and level of service of roads. For bridges and tunnels, the economic activity only includes the maintenance of the road that runs on the bridge or through the tunnel. It does not include the maintenance of the bridge or tunnel itself.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with all of the following criteria:</p> <ol style="list-style-type: none">Where main road elements (binder course, surface course or concrete slabs) are:<ol style="list-style-type: none">Demolished or removed, the preparing for re-use or recycling of the non-hazardous¹³⁷ waste generated onsite is 100% (by mass in kilograms); excluding backfilling; naturally occurring materials (such as soil and stones) are excludedNewly installed after demolition or removal, including roads built on a temporary basis, at least 50% (by mass in kilograms) of the structural road elements used are re-used or recycled materials or non-hazardous industrial by-products¹³⁸The re-used or recycled materials are not moved over distances greater than 2.5 times the distance between the construction site and the nearest production facility for equivalent primary raw materialsThe use of primary raw material for road furniture is minimised through the use of secondary raw materials; for metals (e.g., steel restraint systems), a maximum of 30% of the material come from primary raw material
Santander-specific	Not Applicable

¹³⁷ Waste types include: concrete, bricks, tiles and ceramics; wood, glass and plastic; bituminous mixtures, coal tar and tarred products, metals, insulation materials, gypsum-based construction material

¹³⁸ Where newly installed, the binder course has a service lifetime no shorter than 20 years

A.3.10. Use of concrete in civil engineering

Activity description

Use of concrete for new construction, reconstruction, or maintenance of civil engineering objects, except concrete road surfaces on the following elements: streets, motorways, highways, other vehicular and pedestrian ways, bridges, tunnels and aerodrome runways, taxiways and aprons that are covered under the economic activity 'Maintenance of roads and motorways' (See Section C.11. of this Annex).

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with all of the following criteria [LTO]:</p> <ol style="list-style-type: none">1. Improved waste identification, source separation and collection, waste logistics, waste processing, and quality management in place to achieve recycling of the non-hazardous waste¹³⁹ of rate of 90% (by mass in kilogrammes), excluding backfilling; Naturally occurring materials (such as soil and stones) are excluded; Sorting systems and pre-demolition audits required¹⁴⁰2. Construction designs and techniques support circularity via the incorporation of concepts for design for adaptability and deconstruction. Compliance demonstrated using EU Level 2 reporting framework¹⁴¹3. The use of primary raw material is minimised through the use of secondary raw materials. For concrete, a maximum of 70% of the material comes from primary raw material¹⁴²4. The secondary raw materials are not moved over distances greater than 2.5 times the distance between the construction site and the nearest production facility for equivalent primary raw materials5. The operator of the activity uses electronic tools to describe the characteristics of the building, including the materials and components used, using EN ISO 22057:2022 to provide Environmental Product Declarations (stored in a digital format and made available to investors and clients on demand). The operator ensures the long-term preservation of this information beyond the useful life of the building by using the information managing systems provided by national tools, such as cadastre or public register6. Bridges, tunnels, dikes and sluices are inspected regularly by a nationally approved inspector and the data is used to predict maintenance needs
Santander-specific	For non-EU countries, same as EU taxonomy consistent criteria excepting compliance with LTO

¹³⁹ Waste types include: concrete, bricks, tiles and ceramics; wood, glass and plastic; bituminous mixtures, coal tar and tarred products, metals, insulation materials, gypsum-based construction material

¹⁴⁰ The operator demonstrates compliance with the 90% threshold by reporting different waste streams. Compliance demonstrated using EU Level 2 reporting framework

¹⁴¹ Common EU framework of core indicators for the sustainability of office and residential buildings, measuring the environmental performance of buildings along their life cycle. Levels framework cover six macro-objectives in areas such as energy, material use and waste, water and indoor air quality. Level 2 means that by following the guidance of the EU Level 2 framework, the assessment results are comparable to functionally equivalent buildings, which is a more accurate and reliable assessment framework than Level 1 (common assessment level). Level indicator 2.1: Building bill of materials; 2.2: Life cycle tools: Scenarios for building life span, adaptability and deconstruction; 2.3 Indicator on construction and demolition waste; and 2.4 Life cycle tool: Cradle to cradle Life Cycle Assessment (LCA)

¹⁴² Applies to in-situ poured concrete, pre-cast products, and all constituent materials, including any reinforcement

A.3.11. Terminology definitions

Term	Definition
C&D Waste classification	<ul style="list-style-type: none"> Waste types include: concrete, bricks, tiles and ceramics; wood, glass and plastic; bituminous mixtures, coal tar and tarred products, metals, insulation materials, gypsum-based construction material
Level(s) framework	<ul style="list-style-type: none"> Common EU framework of core indicators for the sustainability of office and residential buildings, measuring the environmental performance of buildings along their life cycle. Levels framework cover six macro-objectives in areas such as energy, material use and waste, water and indoor air quality. Level 2 means that by following the guidance of the EU Level 2 framework, the assessment results are comparable to functionally equivalent buildings, which is a more accurate and reliable assessment framework than Level 1 (common assessment level). Level indicator 2.1: Building bill of materials; 2.2: Life cycle tools: Scenarios for building life span, adaptability and deconstruction; 2.3 Indicator on construction and demolition waste; and 2.4 Life cycle tool: Cradle to cradle Life Cycle Assessment (LCA)
Alien Species	<ul style="list-style-type: none"> Invasive alien species of Union concern shall not be intentionally: <ul style="list-style-type: none"> Brought into the territory of the Union, including transit under customs supervision; Kept, including in contained holding; Bred, including in contained holding; Transported to, from or within the Union, except for the transportation of species to facilities in the context of eradication; Placed on the market; Used or exchanged; Permitted to reproduce, grown or cultivated, including in contained holding; or Released into the environment

PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES

A.4. Professional, Scientific and Technical Activities

This chapter aims to detail the various standards and conditions which are to be met for an investment related to the professional, scientific, and technical activities sector is deemed green / sustainable. The provided definitions can be divided into EU taxonomy and Santander-specific. With Santander-specific, a reference is made to the internal Santander standard for climate and sustainability.

All the activities mentioned in this chapter fall under the professional, scientific, and technical activities sector, as defined by the European Commission. Furthermore, all criteria have been validated by experts to ensure conformity with regulation.

Shown below is a table of the substantial contribution technical screening criteria (for EU Taxonomy consistent criteria only), for all the activities considered in this chapter.

Activity	Environmental classification	Mitigation	Adaptation	Water	Circular economy	Pollution	Biodiversity
Professional services related to energy performance of buildings	EU Taxonomy	Enabling					

A.4.1. Professional services related to energy performance of buildings

Activity description

Professional services related to energy performance of buildings.

Eligibility	Criteria
EU Taxonomy consistent	<ul style="list-style-type: none">The activity complies with one of the following criteria:Technical consultations (energy consultations, energy simulations, project management, production of energy performance contracts, dedicated trainings) linked to the improvement of energy performance of buildingsAccredited energy audits and building performance assessmentsEnergy management servicesEnergy performance contractsEnergy services provided by energy service companies (ESCOs)
Santander-specific	<ul style="list-style-type: none">Not Applicable

DISASTER RISK MANAGEMENT

A.5. Disaster Risk Management

This chapter aims to detail the various standards and conditions which are to be met for an investment related to the disaster risk management sector is deemed green / sustainable. The provided definitions can be divided into EU taxonomy and Santander-specific. With Santander-specific, a reference is made to the internal Santander standard for climate and sustainability.

All the activities mentioned in this chapter fall under the disaster risk management sector, as defined by the European Commission. Furthermore, all criteria have been validated by experts to ensure conformity with regulation.

Shown below is a table of the substantial contribution technical screening criteria (for EU Taxonomy consistent criteria only), for all the activities considered in this chapter.

Activity	Environmental classification	Mitigation	Adaptation	Water	Circular economy	Pollution	Biodiversity
Nature-based solutions for flood and drought risk prevention and protection	EU Taxonomy Santander-specific			Own Performance Own Performance			
Emergency services	EU Taxonomy		Enabling				
Flood risk prevention and protection infrastructure	EU Taxonomy		Enabling				

A.5.1. Nature-based solutions for flood and drought risk prevention and protection

Activity description

Planning, construction, extension, and operation of large-scale nature-based flood or drought management and coastal, transitional or inland aquatic ecosystem restoration measures contributing to preventing and protecting against flooding or droughts, and enhancing natural water retention, biodiversity and water quality.

Eligibility	Criteria
EU Taxonomy consistent	<p>The nature-based solutions complies with <u>all</u> of the below expected outcomes [LTO]:</p> <ol style="list-style-type: none">1. A flood risk reduction or a drought risk reduction measure either at river basin or along a coast (Potential nature-based solutions include: protecting/restoring coastal habitats via mangroves, salt marshes, coral and oyster reefs; protecting/restoring upland forests; restoration and conservation of inland wetlands)2. Environmental degradation risks (related to water management) are identified and addressed3. The activity includes nature restoration or conservation actions that demonstrate specific ecosystem co-benefits, in line with National Biodiversity Strategies and Action Plans. The activity contains clear, binding, and time-bound targets on nature restoration or conservation and describes measures to achieve those targets4. A monitoring programme is in place to evaluate the effectiveness of a nature-based solution scheme in improving the status of the affected water body, achieving the conservation and restoration targets and in adapting to changing climate conditions. The programme is reviewed at least once per programming period and in any case every 10 years5. The programme adheres to and aligns with the prevailing legal and regulatory provisions and actively engages and consults local communities and other affected stakeholders
Santander-specific	For non-EU countries, same as EU taxonomy consistent criteria excepting compliance with LTO

A.5.2. Emergency services

Activity description

Emergency services activities including:

1. Disaster response coordination, including the establishment and operation of emergency response coordination centers and on-site operations coordination centers.
2. Emergency health services, such as first aid and medical care in the field and temporary field hospitals.
3. Disaster relief activities, such as setting up and managing evacuation centers and providing essential supplies to those affected by a disaster.
4. Search and rescue operations, including locating and rescuing victims in distress or danger. e. Hazardous materials response, such as detecting and isolating hazardous materials and conducting decontamination.
5. Firefighting and fire prevention.
6. Technical protection response and assistance to climate hazards.

Economic activities related to emergency services include preparedness activities, such as developing plans, training staff, and acquiring necessary equipment.

These activities are focused on addressing disasters or their impacts related to climate hazards.

Activities and assets that have a primary purpose other than providing civilian emergency services can be included if they support civilian emergency response to climate-related disasters.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with all of the following criteria:</p> <ol style="list-style-type: none"> 1. Climate observation and data systems or infrastructure designed to protect against flooding and other extreme weather events 2. Establish reporting and monitoring systems 3. Climate change adaptation infrastructure projects favouring nature-based solutions, where the climate challenge they aim to address is specified and plans are reviewed to make sure the project will achieve their adaptation goal (e.g., an entity seeking finance to build flood mitigation infrastructure should provide its plan to manage the project's own E&S impacts during construction, operation and end-of-life)
Santander-specific	Not Applicable

A.5.3. Flood risk prevention and protection infrastructure

Activity description

The activity refers to structural and non-structural measures aiming at prevention and protection of people, ecosystems, cultural heritage and infrastructure against floods.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with all of the following criteria:</p> <ol style="list-style-type: none"> 1. Climate observation and data systems or infrastructure designed to protect against flooding and other extreme weather events 2. Establish reporting and monitoring systems 3. Climate change adaptation infrastructure projects favouring nature-based solutions, where the climate challenge they aim to address is specified and plans are reviewed to make sure the project will achieve their adaptation goal (e.g., an entity seeking finance to build flood mitigation infrastructure should provide its plan to manage the project's own E&S impacts during construction, operation and end-of-life)
Santander-specific	Not Applicable

WATER AND WASTE

A.6. Water and Waste

Activity	Environmental classification	Climate mitigation	Climate adaptation	Water	Circular Economy	Pollution Prevention	Biodiversity
Water collection, treatment and supply systems	EU Taxonomy	Own Performance	Own Performance				
Sustainable Water Management	Santander-specific			Own Performance			
Waste water collection and treatment	EU Taxonomy	Own Performance	Own Performance				
Collection and transport of non-hazardous waste in source segregated fractions	EU Taxonomy	Own Performance	Own Performance				
Anaerobic digestion of sewage sludge	EU Taxonomy	Own Performance	Own Performance				
Anaerobic digestion of bio-waste	EU Taxonomy	Own Performance	Own Performance				
	Santander-specific	Own Performance	Own Performance				
Composting of bio-waste	EU Taxonomy	Own Performance	Own Performance				
	Santander-specific	Own Performance	Own Performance				
Material recovery from non-hazardous waste	EU Taxonomy	Own Performance	Own Performance				
Landfill gas capture and utilisation	EU Taxonomy	Own Performance	Own Performance				
	Santander-specific	Own Performance	Own Performance				
Transport of CO2	EU Taxonomy	Enabling	Own Performance				
	Santander-specific	Enabling	Own Performance				
Underground permanent geological storage of CO2	EU Taxonomy	Own Performance	Own Performance				
Desalination	EU Taxonomy		Enabling				
	Santander-specific		Enabling				
Underground permanent geological storage of CO2	Santander-specific	Own Performance	Own Performance				
Water supply	EU Taxonomy			Own Performance			
	Santander-specific			Own Performance			
Urban Waste Water Treatment	EU Taxonomy			Own Performance			
	Santander-specific			Own Performance			

Activity	Environmental classification	Climate mitigation	Climate adaptation	Water	Circular Economy	Pollution Prevention	Biodiversity
Sustainable urban drainage systems (SUDS)	EU Taxonomy			Own Performance			
	Santander-specific			Own Performance			
Phosphorus recovery from waste water	EU Taxonomy				Own Performance		
	Santander-specific				Own Performance		
Production of alternative water resources for purposes other than human consumption	EU Taxonomy				Own Performance		
	Santander-specific				Own Performance		
Collection and transport of non-hazardous and hazardous waste	EU Taxonomy				Own Performance		
	Santander-specific				Own Performance		
Treatment of hazardous waste	EU Taxonomy				Own Performance	Own Performance	
Recovery of bio-waste by anaerobic digestion or composting	EU Taxonomy				Own Performance		
	Santander-specific				Own Performance		
Depollution and dismantling of end-of-life products	EU Taxonomy				Own Performance		
Sorting and material recovery of non-hazardous waste	EU Taxonomy				Own Performance		
	Santander-specific				Own Performance		
Collection and transport of hazardous waste	EU Taxonomy					Own Performance	
Collection and transport of hazardous waste	Santander-specific					Own Performance	
Remediation of legally non-conforming landfills and abandoned or illegal waste dumps	EU Taxonomy					Own Performance	
Remediation of contaminated sites and areas	EU Taxonomy					Own Performance	

A.6.1. Water collection, treatment and supply systems

Activity description

Construction, extension and operation of water collection, treatment and supply systems.

Eligibility	Criteria
EU Taxonomy consistent	<p>The water supply system complies with <u>one</u> of the following criteria:</p> <ol style="list-style-type: none">1. End-to-end water supply systems with a maximum average net energy consumption (including abstraction and treatment) of 0.5 kWh per cubic metre of authorized, billed/non-billed water supply; Net energy consumption may take into account measures decreasing energy consumption, such as source control (pollutant load inputs), and, as appropriate, energy generation (such as hydraulic, solar and wind energy);2. The leakage level of the water supply system is calculated¹⁴³ using the Infrastructure Leakage Index (ILI) rating method and the threshold value is limited to 1.53. Calculation is to be applied across the extent of water supply (distribution) network where the works are carried out, i.e. at water supply zone level, district metered area(s) (DMAs) or pressure managed area(s) (PMAs)4. Renewal of the water supply system, decreasing the net average energy consumption of the system by at least 20% compared to own baseline performance averaged for three years, (including abstraction and treatment), measured in kWh per cubic meter produced water supply;5. Renewal of the water supply system that narrow the gap between actual supply network leakage (averaged over three years).¹⁴³ The unit of measurement is the Infrastructure Leakage Index (ILI). The target low leakage is an ILI of 1.5. Repair works to reduce water leakages in the infrastructure are included.
Santander-specific	<p>The water supply system complies with <u>one</u> of the following criteria:</p> <ul style="list-style-type: none">-End-to-end water supply systems with a maximum average net energy consumption (including abstraction and treatment) of 0.5 kWh per cubic metre of authorized, billed/non-billed water supply; and, water losses in compliance with the threshold defined by local regulation, OR-Water infrastructure that documents at least 20% water savings per unit of service, compared to local documented baseline

A.6.2. Sustainable Water Management

Activity description

Activities that aim to resolve water scarcity and water quality issues through the sustainable management of water.

Eligibility	Criteria
EU Taxonomy consistent	Not Applicable
Santander-specific	Activities that resolve water scarcity and water quality issues, increase water efficiency, or reduce usage by more than 20% (or alternative levels as appropriate for the specific industry/region). Excluding infrastructure that provides water directly for fossil fuel production. ¹⁴⁴

¹⁴³ Calculated across the extent of water supply (distribution) network where the works are carried out, i.e. for the renewed water supply (distribution) network at district metered area(s) (DMAs) or pressure managed area(s) (PMAs).

¹⁴⁴ 20% water efficiency is a short-term target, acknowledging that during United Nations Biodiversity Conference COP 15, there was a global commitment to Protect 30% of Earth's lands, oceans, coastal areas, inland waters by 2030.

A.6.3. Waste water collection and treatment

Activity description

Construction, extension and operation of centralised waste water systems including collection (sewer network) and treatment. Renewal of centralised waste water systems including collection (sewer network) and treatment. It implies no material change related to the load or volume of flow collected or treated in the waste water system.

Eligibility	Criteria
EU Taxonomy consistent	<p>Both 1. and 2. are complied with:</p> <ol style="list-style-type: none">1. Water treatment infrastructure and sewer network either:<ol style="list-style-type: none">A. Powered by renewable energy, orB. With a net energy consumption¹⁴⁵ equal to or lower than (or equivalent, according to a relevant local standard):<ol style="list-style-type: none">i. 35 kWh per population equivalent (p.e.) per annum for treatment plant capacity below 10,000 p.e.ii. 25 kWh per population equivalent (p.e.) per annum for treatment plant capacity between 10,000 and 100,000 p.e.iii. 20 kWh per population equivalent (p.e.) per annum for treatment plant capacity above 100,000 p.e.2. For the construction/ extension of a waste water treatment plant substituting more GHG-intensive treatment systems (e.g. septic tanks, anaerobic lagoons), an assessment of the direct GHG emissions is performed¹⁴⁶ and results are disclosed to investors and clients on demand<p>OR</p><p>Both 1. and 2. are complied with:</p><ol style="list-style-type: none">1. The renewal of (i) a collection system or (ii) of a waste water treatment plant, improves net energy consumption by at least 20%¹⁴⁷ compared to own baseline performance averaged over three years, demonstrated on an annual basis; measured in kWh per population equivalent per annum of the waste water collected or effluent treated2. The operator demonstrates that there are no material changes relating to external conditions
Santander-specific	Not Applicable

A.6.4. Collection and transport of non-hazardous waste in source segregated fractions

Activity description

Separate collection and transport of non-hazardous waste in single or comingled fractions aimed at preparing for reuse or recycling.

Eligibility	Criteria
EU Taxonomy consistent	All separately collected and transported non-hazardous waste that is segregated at source is intended for preparation for reuse or recycling operations.

¹⁴⁵ Net energy consumption of the operation of the waste water treatment plant may take into account measures decreasing energy consumption relating to source control (reduction of storm water or pollutant load inputs), and, as appropriate, energy generation within the system (such as hydraulic, solar, thermal and wind energy).

¹⁴⁶ For example, following IPCC guidelines for national GHG inventories for waste water treatment (version of [adoption date]: https://www.ipccnggip.iges.or.jp/public/2019rf/pdf/5_Volume5/19R_V5_6_Ch06_Wastewater.pdf).

¹⁴⁷ Decrease in energy consumption accounted for at the level of the project or, across the downstream waste water agglomeration (i.e. including the downstream collection system, treatment plant or discharge of waste water); Net energy calculation takes into account measures decreasing energy consumption relating to source control (reduction of storm water or pollutant load inputs) and, as appropriate, energy generation within the system (such as hydraulic, solar, thermal and wind energy).

Eligibility	Criteria
Non-EU Taxonomy eligible	Not Applicable

A.6.5. Anaerobic digestion of sewage sludge

Activity description

Construction and operation of facilities for the treatment of sewage sludge by anaerobic digestion with the resulting production and utilisation of biogas or chemicals.

Eligibility	Criteria
EU Taxonomy consistent	<p>Both 1. and 2. are complied with¹⁴⁸:</p> <ol style="list-style-type: none"> 1. A monitoring and contingency plan is in place in order to minimise methane leakage at the facility. 2. The produced biogas is used directly for the generation of electricity or heat, or upgraded to bio-methane for injection in the natural gas grid, or used as vehicle fuel or as feedstock in chemical industry.
Santander-specific	Not Applicable

A.6.6. Anaerobic digestion of bio-waste

Activity description

Construction and operation of dedicated facilities for the treatment of separately collected bio-waste¹⁴⁹ through anaerobic digestion with the resulting production and utilisation of biogas and digestate and/or chemicals.

Eligibility	Criteria
EU Taxonomy consistent	<p>All 1. to 5. are complied with¹⁵⁰:</p> <ol style="list-style-type: none"> 1. A monitoring and contingency plan is in place in order to minimise methane leakage at the facility. 2. The produced biogas is used directly for the generation of electricity or heat, or upgraded to bio-methane for injection in the natural gas grid, or used as vehicle fuel or as feedstock in chemical industry. 3. The bio-waste that is used for anaerobic digestion is source segregated and collected separately. 4. The produced digestate is used as fertiliser or soil improver, either directly or after composting or any other treatment. 5. The bio-waste treatment plant has an annual average share of food and feed crops used as input feedstock limited to 10% (measured in weight)
Santander-specific	<p>All 1. to 5. are complied with:</p> <ol style="list-style-type: none"> 1. A monitoring and contingency plan is in place in order to minimise methane leakage at the facility. 2. The produced biogas is used directly for the generation of electricity or heat, or upgraded to bio-methane for injection in the natural gas grid, or used as vehicle fuel or as feedstock in chemical industry. 3. The bio-waste that is used for anaerobic digestion is source segregated and collected separately.

¹⁴⁸ Anaerobic digestion of sewage sludge, if: Produced biogas is used directly for generation of electricity and/or heat, or upgrade to bio-methane for injection in natural gas grid, or used as vehicle fuel or feedstock in chemical industry; and Methane leakage is controlled by a monitoring plan

¹⁴⁹ As defined in Article 3, point 4, of Directive 2008/98/EC.

¹⁵⁰ Anaerobic digestion of biowaste, if (cumulative, in addition to the above): Any digestate produced is used as a fertilizer/ soil improver; and Biowaste is source segregated and collected separately; and In dedicated treatment plants, constitutes major share of input feedstock (>=70%, measured in weight, annual average; co-digestion only eligible with minor share (30%) of advanced bioenergy feedstock)

Eligibility	Criteria
	<p>4. The produced digestate is used as fertiliser or soil improver, either directly or after composting or any other treatment.</p> <p>5. The bio-waste treatment plant limits the amount of food and feed crops used as input feedstock according to CBI Waste Management standards (below methane emissions <= 1285g CH₄/ tonne of waste input (this is approximately equivalent to 100g CO₂e/ kWh) or it is audited by a third party that guarantees minimal risk of indirect land use impact for food and feed crops</p>

A.6.7. Composting of bio-waste

Activity description

Construction and operation of dedicated facilities for the treatment of separately collected bio-waste¹⁵¹ through composting (aerobic digestion) with the resulting production and utilisation of compost.

Eligibility	Criteria
EU Taxonomy consistent	<p>Both 1. and 2. are complied with [LTO]:</p> <p>1. The activity corresponds to the construction and operation of dedicated facilities and processes for the treatment of segregated-in-source and separately collected bio-waste through composting (aerobic digestion) with the resulting production and utilisation of compost.</p> <p>2. The compost produced is used as fertiliser or soil improver.</p>
Santander-specific	The activity corresponds to the construction and operation of dedicated facilities and processes for the treatment of segregated-in-source and separately collected bio-waste through composting (aerobic digestion) with the resulting production and utilisation of compost.

A.6.8. Material recovery from non-hazardous waste

Activity description

Construction and operation of facilities for the sorting and processing of separately collected non-hazardous waste streams into secondary raw materials involving mechanical reprocessing, except for backfilling purposes.

Eligibility	Criteria
EU Taxonomy consistent	The activity converts at least 50%, in terms of weight, of the processed separately collected non-hazardous waste into secondary raw materials that are suitable for the substitution of virgin materials in production processes. The chemical recycling of plastic is excluded.
Santander-specific	Water and waste management, waste recycling ¹⁵² or waste reuse, where conversion ratios exceed 50% (conversion of reused or recycled non-hazardous waste into another raw material for use, mainly energy). The chemical recycling of plastic is excluded.

¹⁵¹ As defined in Article 3, point 4, of Directive 2008/98/EC.

¹⁵² Projects to recycle electronic waste require an E&S risk mitigation assessment to prevent health hazards and leakages of toxic substances into the surrounding environment.

A.6.9. Landfill gas capture and utilisation

Activity description

Installation and operation of infrastructure for landfill¹⁵³ gas capture and utilisation in permanently closed landfills or landfill cells using new or supplementary dedicated technical facilities and equipment installed during or post landfill or landfill cell closure.

Eligibility	Criteria
EU Taxonomy consistent	<p>Installation and operation of infrastructure to capture and use landfill gas in permanently closed landfills or landfill cells with new or supplementary technical facilities and equipment installed during or after closure, provided that all of the below are met:</p> <ol style="list-style-type: none">1. The landfill has not been opened after 8 July 2020.2. The landfill or landfill cell where the gas capture system is newly installed, extended, or retrofitted is permanently closed and is not taking in further biodegradable waste.3. The produced landfill gas is used for the generation of electricity or heat as biogas, or upgraded to bio-methane for injection in the natural gas grid, or used as vehicle fuel or as feedstock in chemical industry.4. Methane emissions from the landfill and leakages from the landfill gas collection and utilisation facilities are subject to control and monitoring procedures:<ol style="list-style-type: none">A. Leachate Control:<ol style="list-style-type: none">i. Sampling and measurement of leachate volume must be performed separately at each discharge point.ii. Leachate volume should be sampled monthly during the operational phase and every six months during the aftercare phase.iii. Leachate composition should be sampled quarterly during the operational phase and every six months during the aftercare phase.B. Surface Water Control:<ol style="list-style-type: none">i. Monitoring of surface water should be conducted at two points: one upstream and one downstream from the landfill.ii. Volume and composition of surface water should be monitored quarterly during the operational phase and every six months during the aftercare phase.C. Gas Control:<ol style="list-style-type: none">i. Gas monitoring should be representative for each section of the landfill.ii. Potential gas emissions and atmospheric pressure should be monitored monthly during the operational phase and every six months during the aftercare phase.D. Groundwater Sampling:<ol style="list-style-type: none">i. Measurements should provide information on groundwater likely to be affected by waste discharge.ii. Sampling should be conducted in at least three locations before filling operations to establish reference values.E. Groundwater Monitoring:<ol style="list-style-type: none">i. Groundwater level should be monitored every six months during both the operational and aftercare phases.ii. Groundwater composition monitoring should be conducted at a site-specific frequency, considering the possibility for remedial actions between two samples if a trigger level is reached.

¹⁵³ 'Landfill' is defined in Article 2, point (g), of Council Directive 1999/31/EC of 26 April 1999 on the landfill of waste (OJ L 182, 16.7.1999, p. 1).

Eligibility	Criteria
Santander-specific	<p>Installation and operation of infrastructure to capture and use landfill gas in <u>one</u> of the following:</p> <ol style="list-style-type: none"> 1. Permanently closed landfills with new supplementary technical facilities and equipment installed during or after closure (efficiency at least 75%) 2. Operating landfills only if they are engineered¹⁵⁴ (efficiency at least 75%). Engineered landfills ensure control of waste and avoidance of surface water through the installation of well-designed and well-constructed surface drainage. No open or controlled landfills are accepted.

A.6.10. Transport of CO2

Activity description

Transport of captured CO2 via all modes. Construction and operation of CO2 pipelines and retrofit of gas networks where the main purpose is the integration of captured CO2.

Eligibility	Criteria
EU Taxonomy consistent	<p>All 1. to 4. are complied with [LTO]:</p> <ol style="list-style-type: none"> 1. The CO2 transported from the installation where it is captured to the injection point does not lead to CO2 leakages above 0.5% of the mass of CO2 transported 2. Appropriate leak detection systems are applied and a monitoring plan is in place, with the report verified by an independent third party. 3. The CO2 is delivered to a permanent CO2 storage site; the exploration and operation of storage sites complies with ISO 27914:2017 for geological storage of CO2.; or to other transport modalities, which lead to permanent CO2 storage site that meet those criteria. 4. The activity may include the installation of assets that increase the flexibility and improve the management of an existing network
Santander-specific	<p>Follow both 1. and 2. outlined for the capture rate, transport and storage of carbon:</p> <ol style="list-style-type: none"> 1. Capture rate: The minimum capture rate from the entire facility should be 90% 2. Transport - both (A) and (B): <ul style="list-style-type: none"> A. The CO2 transported from the installation where it is captured to the injection point does not lead to CO2 leakages above 0.5% of the mass of CO2 transported B. Appropriate leak detection systems are applied and a monitoring plan is in place, with the report verified by an independent third party.

¹⁵⁴ Other features of engineered landfill design include soil excavation and spreading to cover waste, waste compaction, leachate removal into lagoons, landfill gas venting, and planned isolation from surrounding geology. For more information, refer to the Mid-Michigan Engineered Landfill design.

A.6.11. Underground permanent geological storage of CO₂

Activity description

Permanent storage of captured CO₂ in appropriate underground geological formations.

Eligibility	Criteria
EU Taxonomy consistent	All 1. to 3. are complied with: <ol style="list-style-type: none">Characterization and assessment of the potential storage complex and surrounding area, or exploration is carried out in order to establish whether the geological formation is suitable for use as a CO₂ storage site.For operation of underground geological CO₂ storage sites, including closure and post closure obligations:<ol style="list-style-type: none">Appropriate leakage detection systems are implemented to prevent release during operation;A monitoring plan of the injection facilities, the storage complex, and, where appropriate, the surrounding environment is in place, with the regular reports checked by the competent national authority.For the exploration and operation of storage sites in third countries, the activity complies with ISO 27914:2017 for geological storage of CO₂.
Santander-specific	Not Applicable

A.6.12. Desalination

Activity description

Construction, operation, upgrade, extension and renewal of desalination plants to produce water to be distributed in drinking water supply systems, operational process water systems, and for purposes other than human consumption.

Eligibility	Criteria
EU Taxonomy consistent	Only for drinking water supply systems - desalination plants that are powered by low-carbon sources (such as renewables or the average carbon intensity of the electricity that is used for desalination is at or below 100g CO ₂ e/kWh) and that have waste management plans for brine disposal.
Santander-specific	For operational process water systems, and for purposes other than human consumption - desalination plants that are powered by low-carbon sources (such as renewables or the average carbon intensity of the electricity that is used for desalination is at or below 100g CO ₂ e/kWh) and that have waste management plans for brine disposal.

A.6.13. Water Supply

Activity description

Construction, extension, operation, and renewal of water collection, treatment and supply systems intended for human consumption based on the abstraction of natural resources of water from surface or ground water sources.

Eligibility	Criteria
EU Taxonomy consistent	<p>Comply with all of the following criteria [LTO]:</p> <ol style="list-style-type: none">1. For the operation of an existing (quality) water supply system contributing to water resource efficiency:<ol style="list-style-type: none">A. The leakage level of the system is calculated using the Infrastructure Leakage Index (ILI) rating method and the threshold value is limited up to 2.0; the calculation is to be applied across the extent of a specified part of a water supply (distribution) network, i.e., at water supply zone level, district metered area(s) (DMAs) or pressure managed area(s) (PMAs);B. The water supply systems include metering at consumer level2. The water supply system has received the necessary permits for water abstraction and it is included in the register for water abstractions; an assessment of the actual potential for abstraction has been performed, including assessment of the available groundwater resource and ecological status of the surface water body from which water is abstracted; the operation of the water supply system does not result in a deterioration of the status of the affected water bodies.3. The information in relation to the abstractions, register of abstractions, status of water bodies and pressures and impacts on these is included in a river basin management plan¹⁵⁵, or, for activities in third countries, in an equivalent water use and protection management plan.
Santander-specific	For non-EU countries, same as EU taxonomy consistent criteria excepting compliance with LTO

¹⁵⁵ For an example, please see the EU's Guidance No 24 - River Basin Management in a Changing Climate

A.6.14. Urban Waste Water Treatment

Activity description

Construction, extension, upgrade, operation and renewal of urban waste water infrastructure including treatment plants, sewer networks, storm water management structures, connections to the waste water infrastructure, decentralised wastewater treatment facilities, including individual and other appropriate systems, and discharge structures for treated effluent.

Eligibility	Criteria
EU Taxonomy consistent	<p>All 1. to 5. are complied with [LTO]:</p> <ol style="list-style-type: none">1. The waste water treatment system does not result in a deterioration of the good status and good ecological potential of any of the affected water bodies and contributes significantly to the achievement of good status and potential of the affected water bodies.2. Information related to the status of water bodies and activities impacting the status, as well as measures taken to minimize impacts, are included in a river basin management plan,¹⁵⁶ or in an equivalent water use and protection management plan.3. Discharge requirements set up by the competent local authorities are complied with; where applicable, contributes to achieve or maintain the good environmental status of marine waters.¹⁵⁷4. Collecting systems and the provision of secondary treatments are in place and compliance with size-specific requirements for discharges from urban waste water treatment plants is required.5. If the plant's capacity is > 100 000 population equivalent (p.e.), or it has a daily inflow of a five-day biochemical oxygen demand load > 6 000 kg, it uses a sludge treatment (anaerobic digestion or a technology with the same or a lower net energy demand - considering both energy generation and consumption), to stabilise the sludge.
Santander-specific	<p>Operation of wastewater facilities, provided that it complies with <u>all</u> of the following:</p> <ul style="list-style-type: none">• Operations powered by low-carbon sources (such as renewables) or the average carbon intensity of the electricity that is used for waste water treatment is at or below 100g CO2e/kWh;• Water quality (post-treatment) in compliance with the threshold defined by the local regulation;• That have waste management plans for sludge disposal

¹⁵⁶ For an example, please see the EU's [Guidance No 24 - River Basin Management in a Changing Climate](#).

¹⁵⁷ Applicability dependent on waste type. For plastic or garbage waste, firms should always be striving to reduce the leakage of this waste into the marine ecosystem. For sewage waste, MARPOL (International Convention for the Prevention of Pollution from Ships) states that sewage can be dumped into the deep ocean but cannot be dumped within a certain distance from land.

A.6.15. Sustainable urban drainage systems (SUDS)

Activity description

Construction, extension, operation and renewal of urban drainage systems facilities that mitigate pollution and flood hazards due to discharges of urban runoff and improve the urban water quality and quantity, by harnessing natural processes, such as infiltration and retention.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity leads to a retention of >90% of runoff water or rainwater in the urbanized area or to an improvement in water quality and complies with all of the following [LTO]:</p> <ol style="list-style-type: none">1. The construction and operation of the sustainable urban drainage system is integrated into the urban drainage and waste water treatment system, as shown in a flood risk management plan or other relevant urban planning tools; the activity is carried out to help achieving the good status and good ecological potential / prevent deterioration of bodies of surface water and groundwater;2. Information is provided on the percentage of a specific area (e.g., residential or commercial) where rainwater is retained instead of being directly drained;3. The design of the sustainable urban drainage system achieves at least one of the following effects:¹⁵⁸<ol style="list-style-type: none">A. A quantified percentage of rainwater in the catchment area of the drainage system is retained and discharged with a staggered delay to the receiving water bodies;B. A quantified percentage of pollutants, including oil, heavy metals, hazardous chemicals and microplastics, is removed from urban runoff before discharge to the receiving water bodies;C. Runoff peak flow, with a return period in line with the requirements of flood risk management plans or other local provisions in place, is reduced by a quantified percentage.
Santander-specific	For non-EU countries, same as EU taxonomy consistent criteria excepting compliance with LTO

A.6.16. Phosphorus recovery from waste water

Activity description

Construction, upgrade, operation and renewal of facilities for recovery of phosphorus from urban waste water treatment plants (WWTP) (aqueous phase and sludge) and from materials (i.e. ashes) after thermal oxidation (i.e. incineration) of sewage sludge.

Eligibility	Criteria
EU Taxonomy consistent	<p>All 1. to 3. are complied with [LTO]:</p> <ol style="list-style-type: none">1. The phosphorus recovery process (covering typically phosphorus salts such as struvite–magnesium ammonium phosphate) recovers at least 15% of the incoming phosphorus load; only the harvested material, such as struvite, is counted for the calculation of this threshold.2. For down-stream recovery after sewage sludge thermal oxidation, the process recovers at least 80% of the incoming phosphorus load from the respective input material, such as sewage sludge ash.3. The phosphorus extracted out of the system is used either as a component material in a fertilising product¹⁵⁹ or in another field of application.
Santander-specific	For non-EU countries, same as EU taxonomy consistent criteria excepting compliance with LTO

¹⁵⁸ On the [EU guidance website for SUDS](#), there are recommended methods to quantify the criteria (e.g., annual percentage of estimated rainwater which is retained and infiltrated into the ground locally out of the total estimated rainwater falling on the urban area of the municipality thresholds).

¹⁵⁹ Eligible in non-EU countries when national regulations on fertilizing products are more stringent than those of the EU.

A.6.17. Production of alternative water resources for purposes other than human consumption

Activity description

Construction, extension, operation and renewal of facilities for producing reclaimed water, facilities for harvesting rain and storm water and facilities for collection and treatment of grey water. These alternative water resources are used to replace water from abstraction or from the drinking water supply systems and can be used for aquifer recharge, irrigation, industrial reuse, recreation and any other municipal use.

Eligibility	Criteria
EU Taxonomy consistent	<ol style="list-style-type: none">1. For production of reclaimed water, the activity complies with <u>all</u> of the following criteria:<ol style="list-style-type: none">A. The reclaimed water is fit for purpose for reuseB. The water reuse project has been authorised by the competent authority, in the framework of integrated water management and prioritizes viable water demand management and efficiency measures; This may be proven by its inclusion in a water management plan or drought management planC. For reuse in agriculture, the assessments of the environmental risks, including the quantitative status of water bodies, are fully taken into account in the risk management plans2. For facilities for harvesting rain and storm water, the activity complies with <u>all</u> of the following criteria:<ol style="list-style-type: none">A. The resource (rain or storm water) is segregated at source and does not include waste water;B. The water is suitable for reuse after proper treatment;C. The facility is included in an instrument of urban planning or permitting, such as Master Plan or municipal planning.3. For facilities for collection and treatment of grey waters, the activity complies with <u>all</u> of the following criteria [LTO]:<ol style="list-style-type: none">A. The resource (grey water) is segregated at source;B. The water is suitable for reuse after proper treatment;C. The performance is attested by a building certification or is available in the technical design documents.
Santander-specific	<ol style="list-style-type: none">1. For production of reclaimed water, the activity complies with <u>all</u> of the following criteria:<ol style="list-style-type: none">A. The reclaimed water is fit for purpose for reuseB. The water reuse project has been authorised by the competent authority and prioritizes viable water demand management and efficiency measures; This may be proven by its inclusion in a water management plan or drought management planC. For reuse in agriculture, the assessments of the environmental risks, including the quantitative status of water bodies, are fully taken into account in the risk management plans2. For facilities for harvesting rain and storm water, the activity complies with <u>all</u> of the following criteria:<ol style="list-style-type: none">A. The resource (rain or storm water) is segregated at source and does not include waste water;B. The water is suitable for reuse after proper treatment;3. For facilities for collection and treatment of grey waters, the activity complies with <u>all</u> of the following criteria:<ol style="list-style-type: none">A. The resource (grey water) is segregated at source;B. The water is suitable for reuse after proper treatment;C. The performance is attested by a building certification or is available in the technical design documents.

A.6.18. Collection and transport of non-hazardous and hazardous waste

Activity description

Separate collection and transport of non-hazardous and hazardous¹⁶⁰ waste aimed at preparing for re-use¹⁶¹ or recycling,¹⁶² including the construction, operation and upgrade of facilities involved in the collection and transport of such waste, such as civic amenity centres and waste transfer stations, as a means for material recovery.

Eligibility	Criteria
EU Taxonomy consistent	<p>All 1. to 6. are complied with:</p> <ol style="list-style-type: none">1. All separately collected and transported waste that is segregated at source is intended for preparation for reuse or recycling operations.2. Source segregated waste consisting of (i) paper and cardboard, (ii) textiles, (iii) biowaste, (iv) wood, (v) glass, (vi) waste from electrical and electronic equipment (WEEE) or (vii) any type of hazardous waste is collected separately (i.e., in single fractions) and not commingled with other waste streams.3. For source segregated non-hazardous waste other than the fractions mentioned in point 2., collection in co-mingled fractions takes place only if (a), (b) or (c) are verified:<ol style="list-style-type: none">A. The collecting of the respective types of waste together does not affect their potential to undergo preparing for re-use, recycling or other recovery operations;B. Separate collection does not deliver the best environmental outcome when considering the overall environmental impacts of the management of the relevant waste streams;C. Separate collection is not technically feasible taking into consideration good practices in waste collection;4. Different types of hazardous waste may be placed together in a hazardous waste box, cabinet or similar solution under the condition that each waste type is properly packaged to keep the waste separate in the box or cabinet and that hazardous waste is sorted in waste types after collection from households.5. For municipal waste streams, the activity complies with one of the following criteria:<ol style="list-style-type: none">A. The activity carries out municipal solid waste collection mainly via door-to-door collection schemes or supervised collection points;B. The activity carries out separate waste collection within publicly organised waste management systems where waste producers are charged based on a pay-as-you throw (PAYT) mechanism or other types incentives for waste segregation at source;C. The activity carries out separate waste collection outside of publicly organised waste management systems that apply deposit and refund systems or other types of incentives for waste segregation at source.6. The activity continuously monitors the quantity and quality of wastes collected based on predefined Key Performance Indicators (KPIs) to comply with all of the following criteria:<ol style="list-style-type: none">A. Fulfilling reporting obligations vis-a-vis relevant stakeholders, such as public authorities, Extended Producer Responsibility (EPR) schemes;B. Periodically communicating relevant information to waste producers and the public in general;C. Undertaking corrective action where the KPIs deviate from applicable targets or benchmarks.

¹⁶⁰ 'Hazardous waste' is waste which displays one or more of the hazardous properties listed in Annex III of Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives (OJ L 312, 22.11.2008, p. 3). It includes streams such as hazardous waste fractions produced by households, waste oils, batteries, non-depolluted waste from electrical and electronic equipment ([WEEE](#)), non-depolluted end-of-life vehicle, medical waste, etc. A comprehensive classification of hazardous waste can be found in the European List of Waste (Commission Decision 2000/532/EC).

¹⁶¹ 'Preparing for re-use' means checking, cleaning or repairing recovery operations, by which products or components of products that have become waste are prepared so that they can be re-used without any other pre-processing

¹⁶² 'Recycling' means any recovery operation by which waste materials are reprocessed into products, materials or substances whether for the original or other purposes. It includes the reprocessing of organic material but does not include energy recovery and the reprocessing into materials that are to be used as fuels or for backfilling operations.

Eligibility	Criteria
Santander-specific	<p>All 1. to 6. are complied with:</p> <ol style="list-style-type: none"> 1. All separately collected and transported waste that is segregated at source is intended for preparation for reuse or recycling operations. 2. Source segregated waste consisting of (i) paper and cardboard, (ii) textiles, (iii) biowaste, (iv) wood, (v) glass, (vi) waste from electrical and electronic equipment (WEEE) or (vii) any type of hazardous waste is collected separately (i.e., in single fractions) and not commingled with other waste streams. 3. For source segregated non-hazardous waste other than the fractions mentioned in point 2., collection in co-mingled fractions takes place only if (A), (B) or (C) are verified: <ul style="list-style-type: none"> A. The collecting of the respective types of waste together does not affect their potential to undergo preparing for re-use, recycling or other recovery operations; B. Separate collection does not deliver the best environmental outcome when considering the overall environmental impacts of the management of the relevant waste streams; C. Separate collection is not technically feasible taking into consideration good practices in waste collection; 4. Different types of hazardous waste may be placed together in a hazardous waste box, cabinet or similar solution under the condition that each waste type is properly packaged to keep the waste separate in the box or cabinet and that hazardous waste is sorted in waste types after collection from households. 5. For municipal waste streams, the activity complies with one of the following criteria: <ul style="list-style-type: none"> A. The activity carries out municipal solid waste collection mainly via door-to-door collection schemes or supervised collection points; B. The activity carries out separate waste collection within publicly organised waste management systems where waste producers are charged based on a pay-as-you throw (PAYT) mechanism or other types incentives for waste segregation at source; C. The activity carries out separate waste collection outside of publicly organised waste management systems that apply deposit and refund systems or other types of incentives for waste segregation at source. 6. The activity continuously monitors the quantity and quality of wastes collected based on predefined Key Performance Indicators (KPIs) according to national standards.

A.6.19. Treatment of hazardous waste

Activity description

Construction, upgrade, and operation of dedicated facilities for the treatment of hazardous waste as a means for material recovery operations.

Eligibility	Criteria
EU Taxonomy consistent	<p>Either:</p> <p>Circular economy activities related to the treatment of hazardous waste complies with all 1. to 3:</p> <ol style="list-style-type: none">1. The activities consist of the material recovery of secondary raw materials (including chemical substances and critical raw materials) from source segregated hazardous waste.2. The recovered materials are substituting primary raw materials, including critical raw materials, or chemicals in production processes.3. The recovered materials comply with the applicable industry specifications, harmonized standards, or end-of-waste criteria¹⁶³. <p><i>OR Pollution prevention criteria</i></p> <p>Pollution activities related to the treatment of hazardous waste complies with all 1. to 7:</p> <ol style="list-style-type: none">1. For waste treatment processes, the activity complies with the following criteria:<ol style="list-style-type: none">A. The activity complies with the requirements set out either in the best available techniques (BAT) conclusions for waste treatment or the best available techniques (BAT) conclusions for waste incineration.¹⁶⁴B. During the pre-acceptance procedures, detailed information is gathered including expected volumes of waste, composition, and the anticipated arrival date at the waste treatment plant, as well as, the origin of the waste (e.g. producer details, nature of the process producing the waste).C. The following elements are in place during the acceptance procedures:<ol style="list-style-type: none">i. A reception facility equipped with a laboratory to analyse samples on site (or subcontract analyses to accredited external contract laboratories);ii. Documented sampling procedure consistent with relevant standards, such as EN 14899:200550;iii. Documented analysis of the relevant physico-chemical parameters for the treatment;iv. A dedicated quarantine waste storage area, as well as written procedures to manage non-accepted waste.D. Activities are only eligible if a suitable treatment route is available and the disposal or recovery route for the output of the treatment is determined;E. For 'Blending or mixing activities' prior to submission to activities such as biological treatment, physico-chemical treatment, solvent reclamation/regeneration, recovery of components used for pollution abatement, etc., dilution is not used to lower the concentration of hazardous substances, i.e., dilution is not used as a 'substitute' to the adequate treatment of the waste.2. For the physico-chemical treatment of solid or pasty waste, any treatment prior to final disposal, such as in hazardous waste landfills, is designed to fulfil the following requirements:<ol style="list-style-type: none">A. Limit at 6% the Total Organic Carbon (TOC) maximum concentration in each single input waste to the landfill;

¹⁶³ BAT: Commission Implementing Decision (EU) 2018/1147 of 10 August 2018 establishing best available techniques (BAT) conclusions for waste treatment, under Directive 2010/75/EU of the European Parliament and of the Council

¹⁶⁴ Facilities that have been granted a derogation with less strict emission limit values in specific cases are excluded from compliance with the Technical Screening Criteria. This derogation allows these facilities to operate with emission limits that are not as strict as those associated with the best available techniques, based on factors such as geographical location, local environmental conditions, or technical characteristics of the facility.

Eligibility	Criteria
	<p>B. Limit at 1 000 mg/kg dry matter Dissolved Organic Carbon (DOC) content of the output waste after a leaching test with L/S = 10 l/kg.</p> <p>3. For the physico-chemical treatment of waste with calorific value, measures are taken in order to avoid dilution and dispersion of hazardous substances and any high loads released into the air; Any treatment installation prior to final thermal treatments (incineration or co-incineration) is to be designed with the purpose of limiting the content of hazardous substances.</p> <p>4. The treatment of aqueous liquid waste complied with the criteria:</p> <ul style="list-style-type: none"> A. Dissolved Organic Carbon DOC elimination of >70% in 7 days (>80% when adapted inoculum is used) in accordance with EN ISO 988852, or other commonly accepted, equivalent industry standards and methodologies used to assess bio-elimination and related performances. B. All waste containing POP substances is controlled and traced as hazardous waste. <p>5. The tracking system in place in the installations based on the best practices allows the monitoring of:</p> <ul style="list-style-type: none"> A. The effective separation of each part of a product or waste such as waste equipment, containing or contaminated with POP above the respective concentration limit B. The effective destruction or irreversible transformation of the POP waste. <p>6. Installations likely to treat waste consisting of, containing or contaminated with mercury or mercury compounds, implement a traceability system ensuring the monitor of the effective safe fate of mercury and mercury compounds in appropriate final destination.</p> <p>7. For the (non-combustion) treatment of healthcare waste:</p> <ul style="list-style-type: none"> A. The installation implements the best practices set out in the WHO handbook on safe management of wastes from health-care activities; B. A non-combustion healthcare waste installation has specific acceptance procedure, monitors and can prove that the following types of healthcare waste are not accepted for treatment: <ul style="list-style-type: none"> i. Cytotoxic waste; ii. Pharmaceutical waste; iii. Chemical waste; iv. Radioactive waste. <p>The technologies used are certified by an independent certification body.</p>
Santander-specific	Not applicable

A.6.20. Recovery of bio-waste by anaerobic digestion or composting

Activity description

Construction and operation of facilities for the treatment of separately collected bio-waste through anaerobic digestion or composting with the resulting production and utilisation of biogas, biomethane, digestate, compost or chemicals.

Eligibility	Criteria
EU Taxonomy consistent	All 1. to 5. are complied with: <ol style="list-style-type: none">The bio-waste used for anaerobic digestion or composting is source segregated and collected separately. Where bio-waste is collected in biodegradable bags, the bags are certified in line with the standard EN 13432:2000.Segregated bio-waste sourced from separate collection constitutes at least 70% of the input feedstock, measured in weight, as an annual average; Codigestion may cover up to 30% of the input feedstock of advanced bioenergy feedstock, which must not include contaminated feedstock coming from biomass fraction of mixed municipal and industrial waste.The activity produces one of the following [LTO]:<ol style="list-style-type: none">Compost or digestate; in non-EU countries, national rules on fertilisers or soil improvers are equivalent to those of the EU;Chemicals through the conversion of organic waste to carboxylates, carboxylic acids or polymers by fermentation with mixed cultures.The resulting compost and digestate is not landfilled.Where anaerobic digestion is installed, the produced biogas is used directly for the generation of electricity or heat, upgraded to bio-methane for use as a fuel, directly injected in the gas grid and further used for energy purposes by replacing natural gas, used as industry feedstock to produce other chemicals or converted into hydrogen for use as a fuel.
Santander-specific	All 1. to 5. are complied with: <ol style="list-style-type: none">The bio-waste used for anaerobic digestion or composting is source segregated and collected separately. Where bio-waste is collected in biodegradable bags, the bags are certified in line with the standard EN 13432:2000.Segregated bio-waste sourced from separate collection complies with CBI Waste Management standards (below methane emissions <= 1285g CH₄/ tonne of waste input (this is approximately equivalent to 100g CO₂e/ kWh) or it is audited by a third partyThe activity produces one of the following:<ol style="list-style-type: none">Compost or digestate; in non-EU countries, national rules on fertilisers or soil improvers are equivalent to those of the EU;Chemicals through the conversion of organic waste to carboxylates, carboxylic acids or polymers by fermentation with mixed cultures.The resulting compost and digestate is not landfilled.Where anaerobic digestion is installed, the produced biogas is used directly for the generation of electricity or heat, upgraded to bio-methane for use as a fuel, directly injected in the gas grid and further used for energy purposes by replacing natural gas, used as industry feedstock to produce other chemicals or converted into hydrogen for use as a fuel.

A.6.21. Sorting and material recovery of non-hazardous waste

Activity description

Construction, upgrade, and operation of facilities for the sorting or recovery of non-hazardous waste streams into high quality secondary raw materials using a mechanical transformation process.

Eligibility	Criteria
EU Taxonomy consistent	<p>Both 1. and 2. are complied with [LTO]:</p> <ol style="list-style-type: none">1. The non-hazardous waste feedstock originates from one or multiple of the following sources:<ol style="list-style-type: none">A. Separately collected and transported waste, including in commingled fractions;B. Non-hazardous waste fractions originating from dismantling and depollution activities from end-of-life products;C. Construction and demolition waste from selective demolition or otherwise segregated at source;D. Non-hazardous waste fractions that result from the sorting of mixed waste are either paper, metal, plastic, or glass2. The facility recovering non-hazardous waste has implemented Best Available Techniques (BAT) on improving overall environmental performance of the plant set out in the best available techniques conclusions for waste treatment, including:<ol style="list-style-type: none">A. A waste characterisation procedure and a strict waste acceptance procedure regarding the quality of incoming waste;B. A tracking system and inventory aiming to track the location and quantity of waste in the plant;C. An output quality management system, using for example existing EN or ISO standards;D. The relevant waste segregation measures or procedures to ensure that waste is kept separated depending on its properties, enabling environmentally safer storage and treatment;E. The relevant measures to ensure waste compatibility prior to mixing or blending of waste;F. The facility has installed the sorting and uses state-of-the-art technologies (e.g. optical separation by near-infrared spectroscopy or X-ray systems, density separation, magnetic separation) and processes to meet relevant technical specifications, quality standards or end-of-waste criteria.
Santander-specific	For non-EU countries, same as EU taxonomy consistent criteria excepting compliance with LTO

A.6.22. Depollution and dismantling of end-of-life products

Activity description

Construction, operation and upgrade of facilities dismantling and depolluting complex end-of life products, movable assets and their components for materials recovery or preparation for re-use of components.

Eligibility	Criteria
EU Taxonomy consistent	<ol style="list-style-type: none">1. The economic activity dismantles and depollutes separately collected waste, in state-of-the art facilities, from complex end-of-life products (automobiles, electrical and electronic equipment or ships), in order to:<ol style="list-style-type: none">A. Harvest parts and components that are suited for re-use;B. Separate non-hazardous and hazardous waste fractions suited for material recovery including recovery of critical raw materials;C. Remove hazardous substances, mixtures and components, so that these are contained in an identifiable stream or that are an identifiable part of a stream, and send them to treatment facilities;D. Enclose documentation of the materials that are sent for further treatment or reuse.2. For the dismantling and depollution of scrap ships, the facility is included in the European List of ship recycling facilities (or a new facility that has applied to be included in the European List of ship recycling facilities).3. For the dismantling and depollution of Waste from Electrical and Electronic Equipment (WEEE) and End-of-Life vehicles (ELVs), waste is originated on collection points.
Santander-specific	Not applicable

A.6.23. Collection and transport of hazardous waste

Activity description

Separate collection and transport of hazardous waste¹⁶⁵ prior to treatment, material recovery or disposal, including the construction, operation and upgrade of facilities involved in the collection and transport of such waste, such as hazardous waste transfer stations, as a means for appropriate treatment.

Eligibility	Criteria
EU Taxonomy consistent	<p>The collection and transport of hazardous waste comply with all of the following criteria:</p> <ol style="list-style-type: none">1. Hazardous waste is source segregated and collected separately from non-hazardous waste2. Proper collection and handling prevent leakage of hazardous waste during collection, transport, storage and delivery to the treatment facility3. Where a given waste classified as hazardous has also a transport status of dangerous goods, the transport complies with the relevant requirements set by the ADR.4. The activity uses waste collection vehicles which conform to at least EURO V standards5. Hazardous waste is packaged and labelled in accordance with the international and Union standards in force.6. For waste from electrical and electronic equipment (WEEE)<ol style="list-style-type: none">A. The main categories of WEEE are collected separately;B. Collection and transport preserve the integrity of WEEE and prevent the leakage of hazardous substances (e.g. ozone-depleting substances, fluorinated greenhouse gases or mercury);C. A management system is set up by the collection and logistics operator to manage environmental, health and safety risks.7. When the waste is stored, the activity complies with the requirements of the best available techniques (BAT) conclusions for waste treatment.
Santander-specific	<p>The collection and transport of hazardous waste comply with all of the following criteria:</p> <ol style="list-style-type: none">1. Hazardous waste is source segregated and collected separately from non-hazardous waste2. Proper collection and handling prevent leakage of hazardous waste during collection, transport, storage and delivery to the treatment facility3. Where a given waste classified as hazardous has also a transport status of dangerous goods, the transport complies with the relevant requirements set by the ADR.4. The activity uses waste collection vehicles which conform to Santander guidelines on vehicle emissions reduction.5. Hazardous waste is packaged and labelled in accordance with the international and Union standards in force.6. For waste from electrical and electronic equipment (WEEE):<ol style="list-style-type: none">A. The main categories of WEEE are collected separately;B. Collection and transport preserve the integrity of WEEE and prevent the leakage of hazardous substances (e.g. ozone-depleting substances, fluorinated greenhouse gases or mercury);C. A management system is set up by the collection and logistics operator to manage environmental, health and safety risks.7. When the waste is stored, the activity complies with the requirements of the best available techniques (BAT) conclusions for waste treatment.

¹⁶⁵ Hazardous waste is waste which displays one or more of the hazardous properties listed in Annex III of Directive 2008/98/EC. It includes streams such as hazardous waste fractions produced by households, waste oils, batteries, non-depolluted waste from electrical and electronic equipment (WEEE), non- depolluted end-of-life vehicle, certain healthcare waste, such as infectious and cytotoxic waste, etc. A comprehensive classification of hazardous waste can be found in the European List of Waste (established by Commission Decision 2000/532/EC).

A.6.24. Remediation of legally non-conforming landfills and abandoned or illegal waste dumps

Activity description

Remediation of legally non-conforming landfills¹⁶⁶ and of abandoned or illegal waste dumps¹⁶⁷ that have been closed and are not taking in further waste other than possibly inert or biostabilised waste to be used as landfill cover material (as far as allowed in the environmental permit for the remediation project).

Eligibility	Criteria
EU Taxonomy consistent	<p>Both 1. and 2. are complied with:</p> <ol style="list-style-type: none"> 1. The activity complies with all of the following criteria: <ul style="list-style-type: none"> A. The remediation activity is not undertaken by the polluter. B. The relevant contaminants are removed, controlled, contained or diminished, following national standards or internal site-specific risk-assessment that considers the characteristic and the extent of the impacted area, the type, properties (persistence, mobility and toxicity) and concentration of the substances, preparations, organisms or micro-organisms, possible migration pathways and the probability of dispersion. 2. The activity is prepared and conducted in line with best industry practice, including: <ul style="list-style-type: none"> A. Remediation site has been closed; B. Preparatory investigations are carried out; C. Results of investigation used for feasibility studies; D. Remedial options analysed in accordance to EU standards¹⁶⁸ or commonly accepted international standards¹⁶⁹ and selected overall best solution; E. The landfill remediation project is approved by the competent authority; F. All materials and fuels recovered from landfilled waste meet relevant quality standards or user specifications for the intended recovery operations and do not represent a risk for the environment or human health; G. Any hazardous waste extracted or otherwise produced by the remediation activity is subject to appropriate collection, transport, treatment, recovery or disposal by an authorized operator; H. Soil and groundwater remediation methods based exclusively on reducing pollutant concentrations through dilution or watering down are excluded; I. A 10-year¹⁷⁰ control and monitoring plan is implemented, including monitoring of impacts of the remediation activities, in case of excavation and removal of the landfill or dumpsite;
Santander-specific	Not Applicable

¹⁶⁶ The term 'landfill' is defined in Council Directive 1999/31/EC of 26 April 1999 on the landfill of waste (OJ L 182, 16.7.1999, p. 1) as a "waste disposal site for the deposit of the waste onto or into land (i.e., underground)" including both non-hazardous and hazardous waste. A 'legally non-conforming' landfill is a landfill that does not comply with the operational and technical requirements defined in relevant EU or national legislation.

¹⁶⁷ The term 'landfill' is defined in Council Directive 1999/31/EC of 26 April 1999 on the landfill of waste (OJ L 182, 16.7.1999, p. 1) as a "waste disposal site for the deposit of the waste onto or into land (i.e., underground)" including both non-hazardous and hazardous waste. A 'legally non-conforming' landfill is a landfill that does not comply with the operational and technical requirements defined in relevant EU or national legislation.

¹⁶⁸ for countries outside the EU, national law needs to be equivalent.

¹⁶⁹ Such as the UNEP Guidance on the management of contaminated sites and the standards and guidance documents for landfill management published by the International Solid Waste Association, including International Guidelines for Landfill Evaluation, Roadmap for Closing Waste Dumpsites and Landfill Operational Guidelines.

¹⁷⁰ 30-year plan in case of environmental isolation of the landfill or dumpsite.

A.6.25. Remediation of contaminated sites and areas

Activity description

Decontamination or remediation of soils and groundwater in polluted areas, industrial plants, surface water and its shores, and disused mining sites. Cleaning up oil spills and other types of pollutants on or in surface water, groundwater, marine water, sediments, aquatic ecosystems, buildings, soil, and terrestrial ecosystems. Material abatement of hazardous substances; clean-up after disasters from natural hazards; and containment operations, hydraulic barriers, active and passive barriers intended to limit or prevent migration of pollutants.

Eligibility	Criteria
EU Taxonomy consistent	<p>All 1. to 4. are complied with:</p> <p>Remediation of contaminated sites and areas comply with all of the following:</p> <ol style="list-style-type: none">1. The remediation activity is not undertaken by the polluter2. The relevant contaminants are removed, controlled, contained or diminished, following national standards or internal site-specific risk-assessment that considers the characteristic and the extent of the impacted area, the type, properties (persistence, mobility and toxicity) and concentration of the substances, preparations, organisms or micro-organisms, possible migration pathways and the probability of dispersion.3. The activity is conducted in line with industry best practice, including:<ol style="list-style-type: none">A. The original operational activity or defective plant that led to the contamination has been stopped or addressed before any assessment;B. Preparatory investigations are carried out in line with best available techniquesC. The remedial options are analysed in line with national law or commonly accepted international standards¹⁷¹ and the most suitable remedial measures are defined in a dedicated remediation plan;D. Any hazardous or non-hazardous waste or contaminated soils extracted or otherwise produced by the remediation activity is subject to appropriate collection, transport, treatment, recovery or disposal by an authorized operator; any mixing of excavated contaminated soils and non-contaminated soils is prevented;E. Remediation methods do not include reducing pollutant concentrations through dilution or watering down;F. 10-year control, monitoring or maintenance activities are carried out in the after-care phase.4. The specific remediation and monitoring plan is approved by the competent authority
Santander-specific	Not Applicable

A.6.26. Use of recycled materials

Activity description

Use of recycled materials in the production of items.

Eligibility	Criteria
EU Taxonomy consistent	Not Applicable
Santander-specific	<p>Product containing at least 50% recycled material, and where the end product can be recycled after its use. Products containing or producing hard to recycle or high polluting materials (e.g. microplastics) are excluded. Certificates accepted for this activity where at least 50% recycled material is evidenced include (but are not limited to):</p> <ol style="list-style-type: none">i. Global Recycled Standard (GRS)ii. Recycled Claim Standard (RCS)iii. Ocean Bound Plastic (OBP)iv. Certified under standard EN 15343

¹⁷¹See UNEP Guidance on the management of contaminated sites, the Mercury Convention's Guidance on Contaminated Sites, and the standards and guidance documents for landfill management published by the International Solid Waste Association, including International Guidelines for Landfill Evaluation (2011), Roadmap for Closing Waste Dumpsites (2016) and Landfill Operational Guidelines (2014, 2019)

A.6.27. Terminology definitions

Term	Definition
The Infrastructure Leakage Index (ILI)	<ul style="list-style-type: none"> Calculated as current annual real losses (CARL)/unavoidable annual real losses (UARL): The current annual real losses (CARL) represent the amount of water that is actually lost from the distribution network (i.e. not delivered to final users). The unavoidable annual real losses (UARL) take into consideration that there will always be some leakage in a water distribution network. The UARL is calculated based on factors such as the length of the network, the number of service connections and the pressure at which the network is operating.
Exploration	<ul style="list-style-type: none"> Exploration refers to the assessment of potential storage complexes for the purposes of geologically storing CO₂ by means of activities intruding into the subsurface such as drilling to obtain geological information about strata in the potential storage complex and, as appropriate, carrying out injection tests in order to characterise the storage site
Dangerous goods classification	<ul style="list-style-type: none"> Dangerous goods classified under the Agreement concerning the International Carriage of Dangerous Goods by Road (ADR)
European List of Ship Recycling Facilities	<ul style="list-style-type: none"> Commission Implementing Decision (EU) 2016/232362 Lists the eligible Ship Recycling Facilities within the EU, per country (https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32016D2323)
EURO V standards	<ul style="list-style-type: none"> See emissions reference: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32007R0715
CBI Waste Management standards	<ul style="list-style-type: none"> See CBI waste management standards here: https://www.climatebonds.net/standard/waste. Apply CBI "Criteria for Anaerobic Digestion". CBI Waste Management standards: waste methane emissions <= 1285g CH₄/ tonne of waste input (this is approximately equivalent to 100g CO₂e/ kWh)
POP substance	<ul style="list-style-type: none"> List of POP substances subject to waste management provisions, and respective concentration limits: <ul style="list-style-type: none"> Endosulfan [concentration limit = 50 mg/kg] Hexachlorobutadiene [concentration limit = 100 mg/kg] Polychlorinated naphthalenes [concentration limit = 10 mg/kg] Alkanes C10-C13, chloro (short-chain chlorinated paraffins) (SCCPs) [concentration limit = 10 000 mg/kg] Tetrabromodiphenyl ether C12H6Br4O, Pentabromodiphenyl ether C12H5Br5O, Hexabromodiphenyl ether C12H4Br6O, Heptabromodiphenyl ether C12H3Br7O, Decabromodiphenyl ether C12Br10O [Sum of the concentrations of tetrabromodiphenyl ether, pentabromodiphenyl ether, hexabromodiphenyl ether, heptabromodiphenyl ether and decabromodiphenyl ether: 1 000 mg/kg] Perfluorooctane sulfonic acid and its derivatives (PFOS) C8F17SO2X [concentration limit = 50 mg/kg] Polychlorinated dibenzo-p-dioxins and dibenzofurans (PCDD/PCDF) [concentration limit = 15 µg/kg] DDT (1,1,1-trichloro-2,2-bis (4-chlorophenyl)ethane) [concentration limit = 50 mg/kg] Chlordane [concentration limit = 50 mg/kg] Hexachlorocyclohexanes, including lindane [concentration limit = 50 mg/kg] Dieldrin [concentration limit = 50 mg/kg] Endrin [concentration limit = 50 mg/kg] Heptachlor [concentration limit = 50 mg/kg] Hexachlorobenzene [concentration limit = 50 mg/kg] Chlordecone [concentration limit = 50 mg/kg] Aldrin [concentration limit = 50 mg/kg] Pentachlorobenzene [concentration limit = 50 mg/kg] Polychlorinated Biphenyls (PCB) [concentration limit = 50 mg/kg] Mirex [concentration limit = 50 mg/kg] Toxaphene [concentration limit = 50 mg/kg] Hexabromobiphenyl [concentration limit = 50 mg/kg] Hexabromocyclododecane [concentration limit = 1 000 mg/kg]

Term	Definition
List of EEE	<p>Compliance with normative requirements for collection and logistics set in CLC/EN 50625-1:2014 and CLC/TS 50625-4:2017 or with equivalent regulatory requirements is a proof of compliance with the requirement that the collection and transport preserve the integrity of WEEE and batteries and prevents the leakage of hazardous substances</p> <p>Non-exhaustive list of EEE which falls within the categories:</p> <ul style="list-style-type: none"> • Temperature exchange equipment (Refrigerators, Freezers, Equipment which automatically delivers cold products, Air conditioning equipment, Dehumidifying equipment, Heat pumps, Radiators containing oil and other temperature exchange equipment using fluids other than water for the temperature exchange) • Screens, monitors, and equipment containing screens having a surface greater than 100 cm² (Screens, Televisions, LCD photo frames, Monitors, Laptops, Notebooks.) • 3. Lamps (Straight fluorescent lamps, Compact fluorescent lamps, Fluorescent lamps, High intensity discharge lamps - including pressure sodium lamps and metal halide lamps, Low pressure sodium lamps, LED) • Large equipment (Washing machines, Clothes dryers, Dish washing machines, Cookers, Electric stoves, Electric hot plates, Luminaires, Equipment reproducing sound or images, Musical equipment (excluding pipe organs installed in churches), Appliances for knitting and weaving, Large computer-mainframes, Large printing machines, Copying equipment, Large coin slot machines, Large medical devices, Large monitoring and control instruments, Large appliances which automatically deliver products and money, Photovoltaic panels.) • Small equipment (Vacuum cleaners, Carpet sweepers, Appliances for sewing, Luminaires, Microwaves, Ventilation equipment, Irons, Toasters, Electric knives, Electric kettles, Clocks and Watches, Electric shavers, Scales, Appliances for hair and body care, Calculators, Radio sets, Video cameras, Video recorders, Hi-fi equipment, Musical instruments, Equipment reproducing sound or images, Electrical and electronic toys, Sports equipment, Computers for biking, diving, running, rowing, etc., Smoke detectors, Heating regulators, Thermostats, Small Electrical and electronic tools, Small medical devices, Small Monitoring and control instruments, Small Appliances which automatically deliver products, Small equipment with integrated photovoltaic panels) • Small IT and telecommunication equipment - no external dimension more than 50 cm (Mobile phones, GPS, Pocket calculators, Routers, Personal computers, Printers, Telephones)
Advanced biofuels	<p>Non-exhaustive list of advanced biofuels:</p> <ul style="list-style-type: none"> • Algae if cultivated on land in ponds or photobioreactors; – Biomass fraction of mixed municipal waste, but not separated household waste – Biowaste (biodegradable garden and park waste, food and kitchen waste from households, restaurants, caterers and retail premises and comparable waste from food processing plants) – Biomass fraction of industrial waste not fit for use in the food or feed chain, including material from retail and wholesale and the agro-food and fish and aquaculture industry – Straw – Animal manure and sewage sludge – Palm oil mill effluent and empty palm fruit bunches – Tall oil pitch – Crude glycerine – Bagasse – Grape marc and wine lees – Nut shells – Husks – Cobs cleaned of kernels of corn – Biomass fraction of wastes and residues from forestry and forest-based industries, namely, bark, branches, precommercial thinnings, leaves, needles, treetops, saw dust, cutter shavings, black liquor, brown liquor, fibre sludge, lignin and tall oil – Other non-food cellulosic material – Other ligno-cellulosic material except saw logs and veneer logs
Efficient district heating and cooling	Efficient district heating and cooling' means a district heating or cooling system using at least 50 % renewable energy, 50 % waste heat, 75 % cogenerated heat or 50 % of a combination of such energy and heat

AGRICULTURE

A.7. Agriculture

In contrast to other sectors, the agriculture sector is only partially covered by the EU taxonomy, which primarily focuses on forestry and conservation activities. However, the general best practices of the EU taxonomy criteria related to forestry and conservation apply to all activities in the broader agriculture sector. Specifically, agricultural activities should not contribute to the degradation of high conservation value areas and forests, wetlands, protected natural areas, land with high carbon stock, and areas of high biodiversity value. Activities covered in the section include the growing of crops, fishing, aquaculture, and animal husbandry.

In addition, Santander expects its clients to adhere to international standards regarding biosafety. The use of Genetically Modified Organisms (GMOs) is permitted only if they are cultivated or traded in accordance with the guidelines outlined in the Cartagena Protocol on Biosafety. This protocol aims to safeguard biological diversity from the potential risks associated with GMOs. It mandates that countries establish regulatory frameworks and procedures for the secure transfer, handling, and utilization of GMOs, including the requirement for informed consent and risk assessment. As of 2023, all member states of the United Nations, apart from the United States of America, have ratified the Cartagena Protocol on Biosafety.

Furthermore, clients are obligated to comply with international laws that prohibit or restrict the use of hazardous substances. Santander will review that projects adhere to the best practices outlined in the Stockholm Convention on Persistent Organic Pollutants (POPs) and the Rotterdam Convention. These frameworks offer guidance on the elimination, restriction, safe handling, and trade of banned substances (e.g., Chlordeneone, DDT, Aldrin). Their primary objective is to mitigate the adverse impacts of banned substances on the environment and human health. As of 2023, the Stockholm POP Convention has been signed by 152 nations, and the Rotterdam Convention has been signed by 72 nations.

The purpose of the certificate listing is to assist in collecting evidence of sustainable agricultural activities for business purposes. The list of qualified certificates will be reviewed regularly to ensure that they continue to meet high standards of assurance and sustainability. Only listed certificates should be used as evidence. Furthermore, certificates related to agricultural practices are often issued for up to 5 years and require annual audits to confirm their validity. Therefore, the listed certificates will be accepted only if they have not expired.

Activity	Environmental classification	Climate mitigation	Climate adaptation	Water	Circular Economy	Pollution Prevention	Biodiversity
Afforestation	EU Taxonomy	Own Performance	Enabling				
	Santander-specific	Own Performance	Enabling				
Rehabilitation and restoration of forests, including reforestation and natural forest regeneration after an extreme event	EU Taxonomy	Own Performance	Enabling				
	Santander-specific	Own Performance	Enabling				
Forest management	EU Taxonomy	Own Performance	Enabling				
Conservation forestry	EU Taxonomy	Own Performance	Enabling				
Restoration of wetlands	EU Taxonomy	Own Performance	Enabling				
	Santander-specific	Own Performance	Enabling				
Conservation, including restoration, of habitats, ecosystems and species	EU Taxonomy					Own Performance	
Sustainable growing of crops	Santander-specific	Transition	Enabling			Enabling	
Soil Remediation	Santander-specific	Transition	Enabling			Enabling	
Low-carbon agricultural technologies to improve efficiency (e.g. techniques used in precision farming, hydroponics farming, aeroponics farming)	Santander-specific	Transition	Enabling	Enabling			
Efficient electric machinery, excluding tech for livestock production	Santander-specific	Transition	Enabling				
Regenerative Farming	Santander-specific	Transition	Enabling			Enabling	
Agricultural Structures	Santander-specific	Transition	Enabling				
Integrated Crop-Livestock-Forestry Systems (ICLFS)	Santander-specific	Transition	Enabling				
Sustainable Feed Production	Santander-specific	Transition	Enabling				
Livestock Management	Santander-specific	Transition	Enabling				
Sustainable aquaculture and Fishing	Santander-specific	Transition	Enabling				
Carbon sequestration activities	Santander-specific	Transition	Enabling				
Sustainable Agricultural Production	Santander-specific	Transition	Enabling			Enabling	
Organic Farming	Santander-specific	Transition	Enabling			Enabling	
Sustainable Land Purchase and Transformation	Santander-specific	Transition	Enabling			Enabling	

A.7.1. Afforestation

Activity description

Establishment of forest through planting, deliberate seeding or natural regeneration on land that, until then, was under a different land use or not used.

Eligibility	Criteria
EU Taxonomy consistent	<p>Sustainable forestry projects, including carbon sequestration plantations must comply with all of the following criteria [LTO]:</p> <ol style="list-style-type: none">1. Occur in an area covered by a 5+ year afforestation plan (or equivalent document) covering:<ol style="list-style-type: none">A. Description of the area according to its gazetting in the land registry;B. Site preparation and its impacts on pre-existing carbon stocks, including soils and above-ground biomassC. Management goals, including major constraints and strategies and activities and protection measures planned to reach goalsD. Definition of the forest habitat context (including forest tree species)E. Infrastructure and access (inc. compartments, roads, other public access, physical features including waterways)F. Consideration of societal issues (including preservation of landscape)G. Assessment of forest related risks (e.g. fires, pests and diseases outbreaks)H. Assessment of impact on food security2. The afforestation plan (or equivalent document) must be continuously updated and monitored3. Once established as a forest the area must be covered by a 10+ year forest management plan covering all aspects of 1. (a.) to (h.)4. The activity does not involve the degradation of land with high carbon stock, including high biodiversity value land, peat lands and wetlands and shall not derive unsustainable production; examples of non-eligible land include protected areas, natural reserves, land certified by IUCN RLE, Natura 20005. The activity ensures management systems are in place at forest sourcing area level to ensure that carbon stocks and sinks levels in the forest are maintained, or strengthened over the long term; these management systems are subject to due diligence6. Either a. or b. are complied with:<ol style="list-style-type: none">A. The activity follows the "Pan-European Guidelines for Afforestation and Reforestation with a special focus on the provisions of the UNFCCC"B. The beneficiary shall conduct tending, thinnings or grazing activities as appropriate as well as an assessment of the potential invasive character of the species under local conditions is required7. Forest holdings over 13 ha are required to conduct a climate benefit analysis for all carbon pools impacted by the activity (including above-ground biomass, below-ground biomass, deadwood, litter and soil), that complies with all of the following:<ol style="list-style-type: none">A. The 30-year¹⁷² net balance of GHG emissions and removals generated by the activity is lower than a baseline, corresponding to the business-as-usual practices that would have occurred on the involved area in the absence of the activityB. The analysis is consistent with the latest IPCC Guidelines for National Greenhouse Gas Inventories and relies on the most conservative assumptions for calculationsC. Includes appropriate considerations about the risks of non-permanence and reversals of carbon sequestration, the risk of saturation and the risk of leakage

¹⁷² 100-year net balance for areas that do not count with management systems in place at forest sourcing area to ensure. that carbon stocks and sinks levels in the forest are maintained or strengthened over the long term

Eligibility	Criteria
	<p>D. The business as-usual practices, including harvesting practices, are ones of the following:</p> <ul style="list-style-type: none"> i. Management practices documented in the latest version of the forest management plan or equivalent instrument before the start of the activity ii. If any, management practices prior to the start of the activity iii. The practices corresponding to management systems ensuring that carbon stocks and sinks levels <p>E. The resolution of the analysis is proportionate to the size of the area concerned and values specific to the area concerned are used</p> <p>F. Emissions and removals that occur due to natural disturbances, such as pests and diseases infestations, forest fires, wind, storm damages, that impact the area and cause underperformance do not result in non-compliance</p> <p>8. Within two years after the beginning of the activity and every 10 years thereafter, the compliance of the activity with the substantial contribution to climate change mitigation criteria and the DNSH criteria¹⁷³ are verified by either of the following:</p> <ul style="list-style-type: none"> A. The relevant national competent authorities B. An independent third-party certifier, at the request of national authorities or the operator of the activity
Santander-specific	<p>The activity must comply with at least <u>one</u> of the following criteria:</p> <ol style="list-style-type: none"> 1. Sustainable forestry projects, including carbon sequestration plantations, certified under a credible scheme, such as Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC). Smallholders may comply through an independently reviewed sustainable forest management plan, in lieu of FSC/PEFC certification. 2. Although paper, wood or cork are non-EU taxo eligible criteria, they are eligible if they come from well-managed forests and meet the standards set by the FSC and PEFC. 3. Eco-scheme P5 (Establishment of Biodiversity Areas) where the entire project area receives funding.

¹⁷³ verified at the level of the forest sourcing area and at the level of a group of holdings sufficiently homogeneous to evaluate the risk of the sustainability of the forest activity

A.7.2. Rehabilitation and restoration of forests, including reforestation and natural forest regeneration after an extreme event

Activity description

Rehabilitation and restoration of forests as defined by national law.

Eligibility	Criteria
EU Taxonomy consistent	<p>The Rehabilitation and restoration of forests, including reforestation and natural forest regeneration after an extreme event complies with all of the following criteria [LTO]:</p> <ol style="list-style-type: none">1. Occur in an area covered by a 10+ year afforestation plan (or equivalent document) covering:<ol style="list-style-type: none">A. Description of the area according to its gazetting in the land registryB. Site preparation and its impacts on pre-existing carbon stocks, including soils and above-ground biomassC. Management goals, including major constraints and strategies and activities and protection measures planned to reach goalsD. Definition of the forest habitat context (including forest tree species)E. Infrastructure and access (inc. compartments, roads, other public access, physical features including waterways)F. Consideration of societal issues (including preservation of landscape)G. Assessment of forest related risks (e.g. fires, pests and diseases outbreaks)2. The forest management plan (or equivalent document) must be continuously updated and monitored3. The sustainability of the forest management systems is ensured by any:<ol style="list-style-type: none">A. The forest management matches the applicable national definition of sustainable forest managementB. The activity follows the "Pan-European Operational Level Guidelines for Sustainable Forest Management"C. The activity minimizes the risk of unsustainable production, by ensuring management systems are in place to guarantee:<ol style="list-style-type: none">i. The legality of the harvesting operationsii. Forest regeneration of harvested areasiii. Protection of areas designated for nature protection purposes; examples of non-eligible land include protected areas, natural reserves, land certified by IUCN RLE, Natura 2000iv. Carbon stocks and sinks levels in the forest are maintained4. Management systems are subject to due diligence5. The activity does not involve the degradation of land with high carbon stock, including high biodiversity value land, peat lands and wetlands; examples of non-eligible land include protected areas, natural reserves, land certified by IUCN RLE, Natura 20006. Forest holdings over 13 ha are required to conduct a climate benefit analysis for all carbon pools impacted by the activity (including above-ground biomass, below-ground biomass, deadwood, litter and soil), that complies with all of the following:<ol style="list-style-type: none">A. The 30-year¹⁷⁴ net balance of GHG emissions and removals generated by the activity is lower than a baseline, corresponding to the business-as-usual practices that would have occurred on the involved area in the absence of the activity;B. The analysis is consistent with the latest IPCC Guidelines for National Greenhouse Gas Inventories and relies on the most conservative assumptions for calculationsC. Includes appropriate considerations about the risks of non-permanence and reversals of carbon sequestration, the risk of saturation and the risk of leakage

¹⁷⁴ 100-year net balance for areas that do not count with management systems in place at forest sourcing area to ensure that carbon stocks and sinks levels in the forest are maintained or strengthened over the long term

Eligibility	Criteria
	<p>D. The business as-usual practices, including harvesting practices, are ones of the following:</p> <ul style="list-style-type: none"> i. Management practices documented in the latest version of the forest management plan or equivalent instrument before the start of the activity ii. If any, management practices prior to the start of the activity iii. The practices corresponding to management systems ensuring that carbon stocks and sinks levels <p>E. The resolution of the analysis is proportionate to the size of the area concerned and values specific to the area concerned are used</p> <p>F. Emissions and removals that occur due to natural disturbances, such as pests and diseases infestations, forest fires, wind, storm damages, that impact the area and cause underperformance do not result in non-compliance</p> <p>7. Within two years after the beginning of the activity and every 10 years thereafter, the compliance of the activity with the substantial contribution to climate change mitigation criteria and the DNSH criteria¹⁷⁵ are verified by either of the following:</p> <ul style="list-style-type: none"> A. The relevant national competent authorities B. An independent third-party certifier, at the request of national authorities or the operator of the activity
Santander-specific	For non-EU countries, same as EU taxonomy consistent criteria excepting compliance with LTO

¹⁷⁵ verified at the level of the forest sourcing area and at the level of a group of holdings sufficiently homogeneous to evaluate the risk of the sustainability of the forest activity

A.7.3. Forest management

Activity description

Forest management as defined by national law.

Eligibility	Criteria
EU Taxonomy consistent	<p>Forest management activities complies with <u>all</u> of the following criteria [LTO]:</p> <ol style="list-style-type: none">1. Occur in an area covered by a 10+ year afforestation plan (or equivalent document) covering:<ol style="list-style-type: none">A. Description of the area according to its gazetting in the land registryB. Site preparation and its impacts on pre-existing carbon stocks, including soils and above-ground biomassC. Management goals, including major constraints and strategies and activities and protection measures planned to reach goalsD. Definition of the forest habitat context (including forest tree species)E. Infrastructure and access (inc. compartments, roads, other public access, physical features including waterways)F. Consideration of societal issues (including preservation of landscape)G. Assessment of forest related risks (e.g. fires, pests and diseases outbreaks)2. The forest management plan (or equivalent document) must be continuously updated and monitored3. The sustainability of the forest management systems is ensured by any:<ol style="list-style-type: none">A. The forest management matches the applicable national definition of sustainable forest managementB. The activity follows the "Pan-European Operational Level Guidelines for Sustainable Forest Management"C. The activity minimizes the risk of unsustainable production, by ensuring management systems are in place to guarantee:<ol style="list-style-type: none">i. The legality of the harvesting operationsii. Forest regeneration of harvested areasiii. Protection of areas designated for nature protection purposes; examples of non-eligible land include protected areas, natural reserves, land certified by IUCN RLE, Natura 2000iv. Carbon stocks and sinks levels in the forest are maintained4. Management systems are subject to due diligence5. The activity does not involve the degradation of land with high carbon stock, including <u>high biodiversity value</u> land, peat lands and wetlands; examples of non-eligible land include protected areas, natural reserves, land certified by IUCN RLE, Natura 20006. Forest holdings over 13 ha are required to conduct a climate benefit analysis for all carbon pools impacted by the activity (including above-ground biomass, below-ground biomass, deadwood, litter and soil), that complies with all of the following:<ol style="list-style-type: none">A. The 30-year¹⁷⁶ net balance of GHG emissions and removals generated by the activity is lower than a baseline, corresponding to the business-as-usual practices that would have occurred on the involved area in the absence of the activityB. The analysis is consistent with the latest IPCC Guidelines for National Greenhouse Gas Inventories and relies on the most conservative assumptions for calculationsC. Includes appropriate considerations about the risks of non-permanence and reversals of carbon sequestration, the risk of saturation and the risk of leakageD. The business as-usual practices, including harvesting practices, are ones of the following:

¹⁷⁶ 100-year net balance for areas that do not count with management systems in place at forest sourcing area to ensure that carbon stocks and sinks levels in the forest are maintained or strengthened over the long term

Eligibility	Criteria
	<ul style="list-style-type: none"> i. Management practices documented in the latest version of the forest management plan or equivalent instrument before the start of the activity ii. If any, management practices prior to the start of the activity iii. The practices corresponding to management systems ensuring that carbon stocks and sinks levels E. The resolution of the analysis is proportionate to the size of the area concerned and values specific to the area concerned are used F. Emissions and removals that occur due to natural disturbances, such as pests and diseases infestations, forest fires, wind, storm damages, that impact the area and cause underperformance do not result in non-compliance 7. Within two years after the beginning of the activity and every 10 years thereafter, the compliance of the activity with the substantial contribution to climate change mitigation criteria and the DNSH criteria¹⁷⁷ are verified by either of the following: <ul style="list-style-type: none"> A. The relevant national competent authorities B. An independent third-party certifier, at the request of national authorities or the operator of the activity
Santander-specific	<p>The activity complies with at least <u>one</u> of the following criteria:</p> <ul style="list-style-type: none"> 1. Restoration of native and high conservation value forests 2. Preservation of biodiverse land or valuable natural habitats 3. Preservation or restoration of biodiversity in urban areas such as parks and green rooftops 4. Permanent conservation of land 5. Soil remediation or remediating contaminated soil /land (not caused by the client/borrower, or when the cause of contamination has been eliminated) 6. Eco-schemes P5 (Establishment of biodiversity areas), Spontaneous or sown vegetation cover (P6), and Inert Cover (P7) where the entire project area receives funding 7. Gestão Florestal Sustentável (Sustainable Forest Management) Certificate (Portuguese spinoff of PEFC)

¹⁷⁷ verified at the level of the forest sourcing area and at the level of a group of holdings sufficiently homogeneous to evaluate the risk of the sustainability of the forest activity

A.7.4. Conservation forestry

Activity description

Forest management activities with the objective of preserving one or more habitats or species.

Eligibility	Criteria
EU Taxonomy consistent	<p>Conservation forestry activities complies with <u>all</u> of the following criteria [LTO]:</p> <ol style="list-style-type: none">1. Occur in an area subject to a 10+ year forest management plan (or equivalent document) covering:<ol style="list-style-type: none">A. Description of the area according to its gazetting in the land registryB. Site preparation and its impacts on pre-existing carbon stocks, including soils and above-ground biomassC. Management goals, including major constraints and strategies and activities and protection measures planned to reach goalsD. Definition of the forest habitat context (including forest tree species)E. Infrastructure and access (inc. compartments, roads, other public access, physical features including waterways)F. Consideration of societal issues (including preservation of landscape)G. Assessment of forest related risks (e.g. fires, pests and diseases outbreaks)H. Assessment of impact on food security2. The afforestation plan (or equivalent document) must be continuously updated and monitored3. The forest management plan or the equivalent instrument:<ol style="list-style-type: none">A. Shows a primary designated management objective that consists in protection of soil and water, conservation of biodiversity or social services based on the FAO definitionsB. Promotes biodiversity-friendly practices that enhance forests' natural processesC. Includes an analysis of<ol style="list-style-type: none">i. Impacts and pressures on habitat conservation and diversity of associated habitatsii. Condition of harvesting minimizing soil impactsiii. Other activities that have an impact on conservation objectives, such as hunting and fishing, agricultural, pastoral and forestry activities, industrial, mining, and commercial activities4. The activity does not involve the degradation of land with high carbon stock, including high biodiversity value land, peat lands and wetlands and shall not derive unsustainable production; examples of non-eligible land include protected areas, natural reserves, land certified by IUCN RLE, Natura 20005. The activity ensures management systems are in place at forest sourcing area level to ensure that carbon stocks and sinks levels in the forest are maintained, or strengthened over the long term; these management systems are subject to due diligence6. Either a. or b. are complied with to prove the sustainability of the forest management systems:<ol style="list-style-type: none">A. The activity follows the "Pan-European Guidelines for Afforestation and Reforestation with a special focus on the provisions of the UNFCCC"B. The beneficiary shall conduct tending, thinnings or grazing activities as appropriate as well as an assessment of the potential invasive character of the species under local conditions is requiredC. The forest management matches the national definition of sustainable forest management, if any7. Forest holdings over 13 ha are required to conduct a climate benefit analysis for all carbon pools impacted by the activity (including above-ground biomass, below-ground biomass, deadwood, litter and soil), that complies with all of the following:

Eligibility	Criteria
	<ul style="list-style-type: none"> A. The 30-year¹⁷⁸ net balance of GHG emissions and removals generated by the activity is lower than a baseline, corresponding to the business-as-usual practices that would have occurred on the involved area in the absence of the activity B. The analysis is consistent with the latest IPCC Guidelines for National Greenhouse Gas Inventories and relies on the most conservative assumptions for calculations C. Includes appropriate considerations about the risks of non-permanence and reversals of carbon sequestration, the risk of saturation and the risk of leakage D. The business as-usual practices, including harvesting practices, are ones of the following: <ul style="list-style-type: none"> i. Management practices documented in the latest version of the forest management plan or equivalent instrument before the start of the activity ii. If any, management practices prior to the start of the activity iii. The practices corresponding to management systems ensuring that carbon stocks and sinks levels E. The resolution of the analysis is proportionate to the size of the area concerned and values specific to the area concerned are used F. Emissions and removals that occur due to natural disturbances, such as pests and diseases infestations, forest fires, wind, storm damages, that impact the area and cause underperformance do not result in non-compliance 8. Within two years after the beginning of the activity and every 10 years thereafter, the compliance of the activity with the substantial contribution to climate change mitigation criteria and the DNSH criteria¹⁷⁹ are verified by either of the following: <ul style="list-style-type: none"> A. The relevant national competent authorities B. An independent third-party certifier, at the request of national authorities or the operator of the activity
Santander-specific	<p>The activity complies with at least <u>one</u> of the following criteria:</p> <ul style="list-style-type: none"> 1. Restoration of native and high conservation value forests 2. Preservation of biodiverse land or valuable natural habitats 3. Preservation or restoration of biodiversity in urban areas such as parks and green rooftops 4. Permanent conservation of land 5. Soil remediation or remediating contaminated soil /land (not caused by the client/borrower, or when the cause of contamination has been eliminated) 6. Eco-schemes P5 (Establishment of biodiversity areas), Spontaneous or sown vegetation cover (P6), and Inert Cover (P7) where the entire project area receives funding

¹⁷⁸ 100-year net balance for areas that do not count with management systems in place at forest sourcing area to ensure that carbon stocks and sinks levels in the forest are maintained or strengthened over the long term

¹⁷⁹ Verified at the level of the forest sourcing area and at the level of a group of holdings sufficiently homogeneous to evaluate the risk of the sustainability of the forest activity

A.7.5. Restoration of wetlands

Activity description

Restoration of wetlands refers to economic activities that promote a return to original conditions of wetlands and economic activities that improve wetland functions without necessarily promoting a return to pre-disturbance conditions, with wetlands meaning land matching the international definition of wetland or of peatland as set out in the Convention on Wetlands of International Importance especially as Waterfowl Habitat (Ramsar Convention).

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with all of the following criteria [LTO]:</p> <ol style="list-style-type: none">1. The area is covered by a restoration/ wetland/ peatland management plan consistent with the Ramsar Convention covering:<ol style="list-style-type: none">A. Identification of site management objectivesB. Identification of factors, including trends, constraints and obligations, that has influenced, is influencing, or may influence the features of the site for which objectives are setC. A forum for resolving conflicts of interestD. A monitoring program recognized as an integral component of the planE. Identification of the strategic plan and description activities to meet management goalsF. Identification and quantification of resources required to manage the site, including detailed budgetG. Serve as a channel for communication within and between sites, organizations and stakeholdersH. Ensure compliance with local, national, and international policies2. The restoration plan (or equivalent document):<ol style="list-style-type: none">A. Contains careful consideration of local hydrological and pedological conditions, including the dynamics of soil saturation and the change of aerobic and anaerobic conditions.B. Must be continuously updated and monitored3. A climate benefit analysis must be conducted for carbon pools impacted by the activity (including above-ground biomass, below-ground biomass, deadwood, litter and soil) and complies with all of the following:<ol style="list-style-type: none">A. The 30-year net balance of GHG emissions and removals generated by the activity is lower than a baseline, corresponding to the business-as-usual practices that would have occurred on the involved area in the absence of the activity;B. The projected 100-year long-term average net GHG balance of the activity is lower than the long-term average GHG balance projected for the baselineC. The analysis is consistent with the latest IPCC Guidelines for National Greenhouse Gas Inventories and relies on the most conservative assumptions for calculations*D. *If the wetland definition differs from the wetland definition used in the national GHG inventory, the analysis includes an identification of the different land categories covered by the involved area.E. Includes appropriate considerations about the risks of non-permanence and reversals of carbon sequestration, the risk of saturation and the risk of leakageF. For coastal wetlands, climate benefit analysis considers projections of expected relative sea level rise and the potential that the wetlands will migrateG. The business as-usual practices, including harvesting practices, are ones of the following:<ol style="list-style-type: none">H. management practices documented in the latest version of the forest management plan or equivalent instrument before the start of the activity<ol style="list-style-type: none">i. If any, management practices prior to the start of the activityii. The practices corresponding to management systems ensuring that carbon stocks and sinks levels

Eligibility	Criteria
	<ul style="list-style-type: none"> I. The resolution of the analysis is proportionate to the size of the area concerned and values specific to the area concerned are used J. Emissions and removals that occur due to natural disturbances, such as pests and diseases infestations, forest fires, wind, storm damages, that impact the area and cause underperformance do not result in non-compliance 4. Within two years after the beginning of the activity and every 10 years thereafter, the compliance of the activity with the substantial contribution to climate change mitigation criteria and the DNSH criteria¹⁸⁰ are verified by either of the following: <ul style="list-style-type: none"> A. The relevant national competent authorities B. An independent third-party certifier, at the request of national authorities or the operator of the activity
Santander-specific	For non-EU countries, same as EU taxonomy consistent criteria excepting compliance with LTO

A.7.6. Conservation, including restoration, of habitats, ecosystems and species

Activity description

Restoration of native and high conservation value forests; preservation of biodiverse land or valuable natural habitats; preservation or restoration of biodiversity in urban areas such as parks and green rooftops, permanent conservation of land; soil remediation or remediating contaminated soil /land (not caused by the client/borrower, or when the cause of contamination has been eliminated).

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with all of the following:</p> <ul style="list-style-type: none"> 1. The activity complies with all of the following: <ul style="list-style-type: none"> A. Maintaining good condition of ecosystems, species, habitats or of habitats of species B. Re-establishing or restoring ecosystems, habitats or habitats of species towards or to good condition 2. The activity takes place in an area with a detailed description of its initial ecological conditions which contains the following elements: <ul style="list-style-type: none"> A. Mapping of the current habitats and their condition B. Where applicable, the protection status of the area C. Characterization of the situation of the main species, habitats or habitats of species in terms of conservation relevance present in the area (including list of species, size of the population, size of the habitat, period during which the area is used by the species) D. The importance of the area to reaching good condition of species, habitats or habitats of species E. The potential for improving the condition/re-establishing habitats or habitats of species in the area 3. The area is covered by a management plan or by an equivalent instrument, (e.g. restoration plan), which is regularly updated and in any case at least every ten years, and contains the following information: <ul style="list-style-type: none"> A. a description of the expected contribution of the area to the nature conservation objectives set by the competent nature or environment authority B. The list of species, habitats and habitats of the species that will benefit from the conservation measures

¹⁸⁰ Verified at the level of a group of holdings sufficiently homogeneous to evaluate the risk of the sustainability of the forest activity

Eligibility	Criteria
	<ul style="list-style-type: none"> C. The duration of the plan and a clear description of the conservation objectives for each targeted habitat and species and of the corresponding conservation measures that address identified pressures and threats, including expected deadlines and milestones D. A description of the threats and pressures that could hinder the achievement of the conservation objectives E. The measures to ensure that all DNSH criteria for this activity are achieved F. Consideration of societal issues (including preservation of landscape, consultation of stakeholders) G. Where applicable, a description of enhanced ecosystem services, such as carbon storage, water purification, flood protection, erosion prevention, pollination, recreational opportunities, and wider socio-economic benefits H. A monitoring scheme with specific and relevant indicators I. The stakeholders involved in the management or restoration of the area and the necessary collaborations or partnerships in place to achieve the conservation objectives J. The measures taken to ensure transparency about the conservation objectives, the conservation measures and the monitoring and its results K. The funding necessary for implementing the conservation measures, for the monitoring of the area and its audit
Santander-specific	Not Applicable

A.7.7. Sustainable growing of crops

Activity description

Sustainably produced crops that have been grown within its natural cycle, source low-carbon energy, or certified under a credible scheme

Eligibility	Criteria
EU Taxonomy consistent	Not Applicable
Santander-specific	<p>The activity complies with <u>one</u> of the following:</p> <ol style="list-style-type: none"> 1. Operations that will either grow each crop within its natural cycle or source low-carbon energy for heat and power 2. Sustainably produced crops that have a valid certification or audited under a credible scheme or committed to industry-leading guidelines, such as: <ul style="list-style-type: none"> A. Organic Agriculture <ul style="list-style-type: none"> i. EU Organic ii. USDA iii. Canada Organic iv. Nespresso AAA Sustainable Quality Program for Organic Farming v. Biosuisse for cropping agriculture vi. Orgánico SAGARPA Mexico for cropping agriculture vii. Organico Brasil for cropping agriculture viii. SAG's Certificación de Productos Orgánicos Agrícolas ix. Regenerative Organic Certified x. DAKKS – Mayacert xi. Union for Ethical Bio Trade (UEBT) xii. ZERYA – Produção Agro sem Resíduos B. Sustainable Agriculture <ul style="list-style-type: none"> i. Naturland

Eligibility	Criteria
	<ul style="list-style-type: none"> ii. Linking Environment and Farming (LEAF) Standard iii. Sustainable Rice Platform (SRP) iv. Bord Bia Quality Assurance Scheme v. Fairtrade International vi. ProTerra Standard for cropping agriculture vii. Rainforest Alliance viii. Bonsucro ix. UTZ Certification for cropping agriculture x. 4C Code of Conduct xi. C.A.F.E Practices Verification xii. Global Good Agricultural Practice (Global GAP), including Integrated Farm Assurance - Crops Base xiii. Fairtrade International xiv. Planet Proof xv. Wineries for Climate Protection (WfCP) <p>C. Soy</p> <ul style="list-style-type: none"> i. Roundtable for Responsible Soy (RTRS) ii. 3S Cargill Program (Triple S Soy) <p>D. Cotton</p> <ul style="list-style-type: none"> i. Better Cotton Initiative (BCI) ii. ECOCERT COMOS Organic iii. OEKO-TEX Organic Cotton iv. ABR Algodao Brasileiro Responsavel/ Brazilian Responsible Cotton (ABR)

A.7.8. Soil Remediation

Activity description

Recovery and restoration of degraded soil.

Eligibility	Criteria
EU Taxonomy consistent	Not Applicable
Santander-specific	<p>Recovery and restoration of degraded soil should comply with at least <u>one</u> of the following:</p> <ol style="list-style-type: none"> 1. Respect EU standards on good agricultural and environmental condition of land (GAEC), relating to soil management (e.g., preventing soil erosion by defining minimum soil cover and maintaining soil organic matter and soil structure) 2. Measures to avoid soil salinization and maintain soil integrity and fertility 3. Adhere to one of the best practices below: <ol style="list-style-type: none"> A. Sown biodiverse pastures, excluding pasture for industrial livestock grazing B. Biological nitrogen fixation C. Projects to reduce the use of synthetic fertilizers, such as through the use of organic fertilizers D. Projects to keep the use of pesticides to a minimum, including biological control E. Soil treatment for biogas production F. Dry agriculture G. Crop rotation H. Sowing of diverse cover crops

A.7.9. Low-carbon agricultural technologies to improve efficiency (e.g. techniques used in precision farming, hydroponics farming, aeroponics farming)

Activity description

Low-carbon agricultural technologies that improve productivity and efficiency while reducing environmental impact (like crop sensors, vertical farming, hydroponics and aeroponics, and solar irrigation pumps).

Eligibility	Criteria
EU Taxonomy consistent	Not Applicable
Santander-specific	<p>Low-carbon agricultural technologies must comply with at least <u>one</u> of the following criteria:</p> <ol style="list-style-type: none">1. Improve productivity and efficiency while reducing environmental impact (like crop sensors, vertical farming, hydroponics and aeroponics, and solar irrigation pumps). Vertical farming, hydroponics and aeroponics should be coupled with the implementation of energy efficiency measures and preferably coupled with sustainable fertilizer2. Incorporate renewable energy sources (e.g., solar, wind) into the agricultural process3. Contribute to environmental objectives (e.g., GHG emissions reduction, sustainable use of water resources, pollution prevention) such as:<ol style="list-style-type: none">A. Systems enhancing water efficiency, such as high-efficiency drip irrigation, dynamic irrigation and pivot irrigation systems, dams, pond and water storage management, and humidity sensorsB. Precision farming technologies and other ICT solutions that are predominantly used for the provision of data and analytics enabling GHG emission reductionsC. Autonomous drone sprayers and other sprayers are aided by IoT technology to distribute fertilizer, pesticides, herbicides, water, and other farming inputs to, to boost crop health and distribute resources more efficiently. Strong preference for these drones to be coupled with non-synthetic agricultural inputs. These electric or zero-emissions drones should replace internal combustion tractors

A.7.10. Efficient electric machinery, excluding tech for livestock production

Activity description

Electric machinery, excluding technologies for livestock production units

Eligibility	Criteria
EU Taxonomy consistent	Not Applicable
Santander-specific	<p>Efficient electric machinery (excluding for industrial livestock production) that reduce emissions and boost efficiency in agriculture, forestry, and aquaculture. For instance, comply with at least <u>one</u> of the following activities:</p> <ol style="list-style-type: none">1. Zero direct emission vehicles (e.g., electric tractors, loaders, mowers, sprayers, etc.)2. Low-emission heavy-duty vehicles with specific direct CO2 emissions of less than 50% of the reference CO2 emissions of all vehicles in the same sub-group3. Machinery to improve the efficiency of fertilizer use – such as drones, ground-based sensors, nozzles or other sprayers with high flow rates; other machinery, e.g.: bio-digesters4. Low-emissions electric machinery to support organic farming practices5. General R&D for low-emissions electric machinery

A.7.11. Regenerative Farming

Activity description

Regenerative farming practices should comply with either no-till farming, cover cropping, crop rotation, reducing reliance on synthetic inputs, or building silvopastures through managed grazing and agroforestry techniques.

Eligibility	Criteria
EU Taxonomy consistent	Not Applicable
Santander-specific	<ol style="list-style-type: none">1. Regenerative farming practices should comply with at least <u>one</u> of the following agricultural practices:<ol style="list-style-type: none">A. No-till farming (an agricultural technique for growing crops or pasture without disturbing the soil through tillage) or Eco-scheme P4 (No-till farming) where the entire project area receives fundingB. Cover cropping and similar practices that preserve the biological structures that bacteria, fungi, and other soil microbes build underground or Eco-scheme P3 (crop-improving species) where the entire project area receives fundingC. Crop rotation to increase plant diversity and healthier soil or Eco-scheme P3 (crop-improving species) where the entire project area receives fundingD. Reduce reliance on synthetic inputs, such as herbicides, pesticides, and chemical fertilizers¹⁸¹E. Build silvopastures through the combination of managed grazing and agroforestry techniques

OR

1. Be certified by Regenerative Organic Certified.

¹⁸¹ Natural examples include mushroom manure, blood meal, bone meal, cottonseed meal, kelp meal, poultry or horse manure (aged) and compost. Naturally occurring insecticides include Neem tree products, Margosa, Tulsi / Basil Leaf, Citrus Oil, Eucalyptus Oil, Onion, Garlic spray, and Essential Oils. Organic herbicides use one or more of the following active ingredients: Acetic Acid, Citric Acid, d-limonene (Citrus Oil), Clove Oil or Clove Leaf Oil, Cinnamon Oil, and Lemon grass Oil.

A.7.12. Agricultural Structures

Activity description

Agricultural structures (such as greenhouses and shade houses) that save energy and water.

Eligibility	Criteria
EU Taxonomy consistent	Not Applicable
Santander-specific	<p>The activity complies with <u>one</u> of the following criteria:</p> <ol style="list-style-type: none">1. Funding for the construction, renovation, and acquisition of energy-efficient agricultural structures, for example:<ol style="list-style-type: none">A. Heated agricultural structures (such as farmhouses and heated greenhouses) should strive to significantly reduce the consumption of non-renewable energy sources or reduce energy consumption by at least 30% or run on 100% renewable energy to heat the building. For new builds, heated agricultural structures should run on 100% renewable energy.B. Other agricultural structures (such as barns, non-heated greenhouses, and shade houses) should save energy and waterC. In-door farming, such as vertical farms, coupled with energy efficiency and positive land-use change considerations, reduces the use of water, energy, and fertilizer. In-door farming activities should be suited to the location's climate conditions.

A.7.13. Integrated Crop-Livestock-Forestry Systems (ICLFS)

Activity description

Operations that use integrated crop-livestock-forestry systems (ICLFS), where operations have sustainable forest management processes in place.

Eligibility	Criteria
EU Taxonomy consistent	Not Applicable
Santander-specific	<ul style="list-style-type: none">• Operations that use integrated crop-livestock-forestry systems (ICLFS), where operations have sustainable forest management processes in place (Livestock management projects for industrial-scale meat processors/producers, and projects towards industrial-scale livestock are excluded.)

A.7.14. Sustainable Feed Production

Activity description

Using feed with less additives that reduce gas formation in the gut or ensuring soybean feed production is certified by recognized certifications.

Eligibility	Criteria
EU Taxonomy consistent Santander-specific	Not Applicable The activity complies with at least <u>one</u> of the following: 1. Sustainable feed production and processing that aligns with criteria under Sustainable Growing of Crops, Livestock Management, and Agricultural Structures. 2. Sustainable feeds with additives that reduce the formation of methane and other gases in the gut (additives examples include the chemical 3-NOP, seaweed) 3. Soybean feed production should be certified by one of the following or equivalent certifications: A. The Roundtable on Responsible Soy Association (RTRS) B. The ProTerra Standard for Sustainable Soy Production C. Cargill Triple S™ (Sustainably Sourced & Supplied) (Livestock management projects for industrial-scale meat processors/producers, and projects towards industrial-scale livestock are excluded.)

A.7.15. Livestock Management

Activity description

Operations that use integrated crop-livestock-forestry systems (ICLFS), where operations have sustainable forest management processes in place; sustainable feed production; projects to reduce emissions from livestock.

Eligibility	Criteria
EU Taxonomy consistent	Not Applicable
Santander-specific	<p>Projects to reduce emissions from livestock should comply with relevant local regulations¹⁸² and at least <u>one</u> of the following:</p> <ol style="list-style-type: none">1. Adhere to at least one of the following livestock management standards:<ol style="list-style-type: none">A. Sustainable Beef and Lamb Assurance Scheme (SBLAS)B. Food Alliance Certified Livestock Producers (Level 4)C. Industrial emission license for pig and poultry enterprisesD. or equivalent certification2. Sustainable management of livestock and livestock waste to reduce methane or other GHG emissions, examples include manure management with bio-digesters for biomethane production, managed grazing (such as the use of eco-scheme P1 where they can demonstrate the reduction of Unit of Grazing Livestock (e.g. from 2 UGM/ha to 0.5 UGM/ha), or other practices that reduce GHG emissions.3. Changes to animal feed to reduce nitrous oxide and methane emissions (e.g. grazing on silvopastures)4. Feedlot/stall-fed and in-house livestock must use feed that is sustainably sourced and from areas not recently converted from natural habitat. <p>(Livestock management projects for industrial-scale meat processors/producers, and projects towards industrial-scale livestock are excluded.)</p> <p>AND</p> <p>Adhere to the following standards on animal welfare, if the intervention involves agricultural production that includes livestock in intensive production systems:</p> <ol style="list-style-type: none">A. IFC Good Practice Note on Animal Welfare in Livestock OperationsB. World Organization for Animal HealthC. FARMS InitiativeD. or equivalent certification

¹⁸² For example, to comply with local regulations, several exclusion criteria apply for livestock management. Livestock management cannot occur outside the agricultural frontier, on land with recent land use changes, continuous wooded areas, wetlands, core zones of Natural Protected Areas, and land with no vocation for livestock whose best use is forestry.

A.7.16. Sustainable Aquaculture and Fishing

Activity description

Sustainably produced seafood that has been certified by the Aquaculture Stewardship Council (ASC), Best Aquaculture Practice (2 stars or more) or Marine Stewardship Council.

Eligibility	Criteria
EU Taxonomy consistent	Not Applicable
Santander-specific	<p>The activity complies with <u>one</u> of the following:</p> <ol style="list-style-type: none">1. Sustainable aquaculture: sustainably produced seafood that has been certified by the Aquaculture Stewardship Council (ASC), Best Aquaculture Practice (2 stars or more), Marine Stewardship Council (MSC), or Friend of the Sea certification.2. Sustainable fishing: sustainably caught seafood in accordance with the Food and Agriculture Organization of the United Nations (FAO) Code of Conduct for Responsible Fisheries, Marine Stewardship Council (MSC), or Global Sustainable Seafood Initiative (GSSI)

A.7.17. Carbon Sequestration Activities

Activity description

A natural or artificial process by which carbon dioxide is removed from the atmosphere and held in solid or liquid form.

Eligibility	Criteria
EU Taxonomy consistent	Not Applicable
Santander-specific	<p>The activity complies with <u>all</u> of the following criteria for carbon sequestration plantations:</p> <ol style="list-style-type: none">1. No conversion of high carbon stock lands (designated as HCV or HCVF by FSC)2. The intervention must enable or support the relevant low GHG best practices. This can be demonstrated by either achieving a climate-aligned % reduction in GHG emissions (tCO2e) over the investment period compared to the start of that period, OR provide evidence of following low- emissions agricultural best practices (e.g., soil management, reduction in fertilizer use)3. Clear boundaries and critical interdependencies between the intervention and the agricultural production unit and wider system it operates within are identified.4. An assessment has been undertaken to identify the key physical climate hazards to which the production unit will be exposed and vulnerable over its operating life, this can include an Environmental Impact Assessment or equivalent.

A.7.18. Sustainable Agricultural Production

Activity description

The use of agricultural land and the production of agricultural produce that complies with the agricultural standards outlined.

Eligibility	Criteria
EU Taxonomy consistent	Not Applicable
Santander-specific	<p>The activity complies with all of the following criteria:</p> <ol style="list-style-type: none">1. Short rotation advanced-bioenergy crop production on marginal/pastures land which complies with Greening Environmental Certification System2. Avoidance of GHG emissions in storage and processing of manure and slurry, and management of grasslands through at least one of the following measures:<ol style="list-style-type: none">A. Optimising fertilization (protected urea instead of urea; adequate slurry storage in place, precision farming use of GPS for chemicals, fertiliser etc.)B. Use low-emission slurry applications and machines3. Electrical Agricultural Equipment for crop and livestock production4. Certified agricultural activities. The following certifications/certification bodies are currently eligible:<ol style="list-style-type: none">A. Organic Agriculture<ol style="list-style-type: none">i. EU Organicii. USDA Organiciii. Canada Organiciv. Nespresso AAA Sustainable Quality Program for Organic Farmingv. Biosuisse for cropping agriculturevi. Orgánico SAGARPA Mexico for cropping agriculturevii. Organico Brasil for cropping agricultureviii. SAG's Certificación de Productos Orgánicos Agrícolasix. Regenerative Organic Certifiedx. DAKKS – MayacertB. Sustainable Agriculture<ol style="list-style-type: none">i. Naturlandii. Linking Environment and Farming (LEAF) Standardiii. Good Cultivation and Harvesting Practices for Medicinal Plants (GACP)iv. Sustainable Rice Platform (SRP)v. Bord Bia Quality Assurance Schemevi. Fairtrade Internationalvii. ProTerra Standard for cropping agricultureviii. Rainforest Allianceix. Bonsucrox. UTZ Certification for cropping agriculturexi. 4C Code of Conductxii. C.A.F.E Practices Verificationxiii. Global Good Agricultural Practice (Global GAP), including Integrated Farm Assurance - Crops Basexiv. Sustainable Agriculture Network Standards (SAN)¹⁸³xv. Planet Proofxvi. Tesco Nurturexvii. Wineries for Climate Protection (WfCP)

¹⁸³ This standard is being phased out, but still accepted if it is valid.

Eligibility	Criteria
	<p>C. Soy</p> <ul style="list-style-type: none"> i. Roundtable for Responsible Soy (RTRS) ii. 3S Cargill Program (Triple S Soy) <p>D. Cotton</p> <ul style="list-style-type: none"> i. Better Cotton Initiative (BCI) ii. ECOCERT COMOS Organic iii. OEKO-TEX Organic Cotton iv. ABR Algodao Brasileiro Responsavel/ Brazilian Responsible Cotton (ABR)

A.7.19. Organic Farming

Activity description

Producing organic agriculture includes avoiding the use of synthetic fertilizers and pesticides.

Eligibility	Criteria
EU Taxonomy consistent	Not Applicable
Santander-specific	<p>The activity complies with <u>one</u> of the following criteria:</p> <p>1. Producers of organic agriculture products complies with all of the following criteria:</p> <ul style="list-style-type: none">A. avoid the use of synthetic fertilizers and pesticides, unless pre-approved for specific purposes¹⁸⁴B. Be registered with a relevant national control agency or body that verifies agricultural activities are in compliance with organic rules¹⁸⁵C. Undergo a yearly inspection and a set of checks to ensure compliance with the rules on organic production, or the timeline required by the national authorityD. In addition to fulfilling the standard organic farming criteria, new organic farmers must undergo a process known as 'conversion':<ul style="list-style-type: none">i. During conversion, organic production methods must be used but the resulting product cannot be sold as organicii. The length of the conversion period depends on the type of organic product being produced (e.g., 3 years for orchards of perennial soft, top and vine fruits, 12 months for pig and poultry grazing, and 2 years for land ruminant grazing annual crops)¹⁸⁵ <p>Or</p> <p>1. Producers of organic agriculture products in the EU and other territories must provide certification from one of the following bodies:</p> <ul style="list-style-type: none">A. USDA OrganicB. EU Organic LabelC. Canada OrganicD. Nespresso AAA Sustainable Quality Program for organic farmingE. Orgánico México for cropping agricultureF. Organics Brasil for cropping agricultureG. JAS Organic LabelH. SAG's Certificación de Productos Orgánicos AgrícolasI. Biosuisse for cropping agricultureJ. NaturlandK. DAKKS – MayacertL. Global Organic Textile StandardM. or equivalent certification

¹⁸⁴ Certain exceptions are allowed for using synthetic substances if they are intended to achieve specific purposes. Generally, they will be approved by a relevant certification body. For instance, in the US, the National Organic Standards Board (NOSB) is designed by law to advise the [National Organic Program \(NOP\)](#) on which substances should be allowed or prohibited

¹⁸⁵ Each nation will have different control bodies, with slightly different requirements. See [EU requirements](#), for example.

A.7.20. Sustainable Land Purchase and Transformation

Activity description

Transforming newly acquired existing farmland with agricultural practices that reduce emissions

Eligibility	Criteria
EU Taxonomy consistent	Not Applicable
Santander-specific	<p>Example of Sustainability-linked financing for transforming newly acquired existing farmland with agricultural practices that reduce emissions where <u>all</u> of the below are met:</p> <ol style="list-style-type: none">1. A sustainable agricultural management plan is submitted prior to acquisition, with actionable and measurable sustainable performance targets2. An audit is conducted annually throughout the duration of the financing to ensure compliance with sustainable performance targets and overall sustainability goals3. Borrower must maintain a high level of accurate data collection and reporting throughout the duration of the financing activity4. Key sustainability performance targets include implementing sustainable fertilization, soil management, water management, and biodiversity management practices

A.7.21. Terminology definition

Term	Definition
FAO definition of forest	Land spanning more than 0.5 hectares with trees higher than 5 meters and a canopy cover of more than 10 percent, or trees able to reach these thresholds in situ. It does not include land that is predominantly under agricultural or urban land use
High biodiversity value	Land with high biodiversity value encompasses land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status: <ol style="list-style-type: none">A. Primary forest and other wooded land that show no clear signs of human activity and have undisturbed ecological processesB. Highly biodiverse forest and other wooded land which is species-rich and not degraded, or has been identified as being highly biodiverse by the relevant competent authorityC. Areas designated:<ul style="list-style-type: none">– By law or by the relevant competent authority for nature protection purposes; or– For the protection of rare, threatened or endangered ecosystems or species recognised by international agreements or included in lists drawn up by intergovernmental organisations or the International Union for the Conservation of NatureD. d. Highly biodiverse grassland spanning more than one hectare, either:<ul style="list-style-type: none">– Natural grassland that would remain as such without human intervention and maintains its natural species composition and ecological characteristics– Non-natural, namely grassland that would cease to be grassland in the absence of human intervention and that is species-rich and not degraded and has been identified as being highly biodiverse by the relevant competent authority Accepted certifications for land with high biodiversity value: <ul style="list-style-type: none">• - Red List of Ecosystems (IUCN)

Term	Definition
Sustainable production	<p>A. The country in which forest biomass was harvested has national or sub-national laws applicable in the area of harvest as well as monitoring and enforcement systems in place ensuring:</p> <ul style="list-style-type: none"> – The legality of harvesting operations; – Forest regeneration of harvested areas; – That areas designated by international or national law or by the relevant competent authority for nature protection purposes, including in wetlands and peatlands, are protected; – That harvesting is carried out considering maintenance of soil quality and biodiversity with the aim of minimising negative impacts; and – That harvesting maintains or improves the long-term production capacity of the forest; <p>B. When evidence referred to in point (a) of this paragraph is not available, the biofuels, bioliquids and biomass fuels produced from forest biomass shall be taken into account for the purposes referred to in points (a), (b) and (c) of the first subparagraph of paragraph 1 if management systems are in place at forest sourcing area level ensuring:</p> <ul style="list-style-type: none"> – The legality of harvesting operations; – Forest regeneration of harvested areas; – That areas designated by international or national law or by the relevant competent authority for nature protection purposes, including in wetlands and peatlands, are protected unless evidence is provided that the harvesting of that raw material does not interfere with those nature protection purposes; – That harvesting is carried out considering the maintenance of soil quality and biodiversity with the aim of minimising negative impacts; and – That harvesting maintains or improves the long-term production capacity of the forest <ul style="list-style-type: none"> • Accepted certifications for land with sustainable production: <ul style="list-style-type: none"> - FSC®
Market certificates for Pan-European Guidelines for Afforestation and Reforestation with a special focus on the provisions of the United Nations Framework Convention on Climate Change (UNFCCC)	<p>There is no specific certificate in the market that exclusively proves compliance with the Pan-European Guidelines for Afforestation and Reforestation with a special focus on the provisions of the United Nations Framework Convention on Climate Change (UNFCCC). However, the following certification schemes promote sustainable forest management practices, which broadly align with the principles outlined in the Pan-European Guidelines and contribute to climate change mitigation efforts:</p> <ul style="list-style-type: none"> • - Forest Stewardship Council (FSC) • - Programme for the Endorsement of Forest Certification (PEFC) • - Carbon Offset Standards: Various carbon offset standards, such as the Verified Carbon Standard (VCS) and the Gold Standard, provide guidelines for projects that aim to reduce greenhouse gas emissions through afforestation and reforestation activities. These standards ensure that projects meet specific criteria for carbon sequestration and sustainable land use.
Protection of soil and water	Forest where the management objective is protection of soil and water. (FAO Global Resources Assessment 2020. Terms and definitions version of [adoption date]).
Conservation of biodiversity	Forest where the management objective is conservation of biological diversity. Includes but is not limited to areas designated for biodiversity conservation within the protected areas. (FAO Global Resources Assessment 2020. Terms and definitions version of [adoption date]).
Social services	Forest where the management objective is social services. (FAO Global Resources Assessment 2020. Terms and definitions version of [adoption date]).

MANUFACTURING

A.8. Manufacturing

This chapter aims to detail the various standards and conditions which are to be met for an investment related to the manufacturing sector is deemed green / sustainable. The provided definitions can be divided into EU taxonomy and Santander-specific. With Santander-specific, a reference is made to the internal Santander standard for climate and sustainability.

All the activities mentioned in this chapter fall under the manufacturing sector, as defined by the European Commission. Furthermore, all criteria have been validated by experts to ensure conformity with regulation.

Shown below is a table of the substantial contribution technical screening criteria (for EU Taxonomy consistent criteria only), for all the activities considered in this chapter.

Activity	Environmental classification	Mitigation	Adaptation	Water	Circular economy	Pollution	Biodiversity
Manufacture of renewable energy technologies	EU Taxonomy	Enabling	Own Performance				
Manufacture of equipment for the production and use of hydrogen	EU Taxonomy	Enabling	Own Performance				
Manufacture of hydrogen	EU Taxonomy	Own Performance	Own Performance				
Manufacture of low carbon technologies for transport	EU Taxonomy	Enabling	Own Performance				
	Santander-specific	Enabling	Own Performance				
Manufacture of batteries	EU Taxonomy	Enabling	Own Performance				
Manufacture of energy efficiency equipment for buildings	EU Taxonomy	Enabling	Own Performance				
	Santander-specific	Enabling	Own Performance				
Manufacture of other low carbon technologies	EU Taxonomy	Enabling	Own Performance				
Manufacture of cement	EU Taxonomy	Transition	Own Performance				
Manufacture of aluminium	EU Taxonomy	Transition	Own Performance				

Activity	Environmental classification	Mitigation	Adaptation	Water	Circular economy	Pollution	Biodiversity
Manufacture of iron and steel	EU Taxonomy	Transition	Own Performance				
Manufacture of carbon black	EU Taxonomy	Transition	Own Performance				
Manufacture of soda ash	EU Taxonomy	Transition	Own Performance				
Manufacture of organic basic materials	EU Taxonomy	Transition	Own Performance				
	Santander-specific	Transition	Own Performance				
Manufacture of nitric acid	EU Taxonomy	Transition	Own Performance				
Manufacture of chlorine	EU Taxonomy	Transition	Own Performance				
Manufacture of anhydrous ammonia	EU Taxonomy	Own Performance	Own Performance				
Manufacture of plastics in primary form	EU Taxonomy	Transition	Own Performance				
Manufacture of automotive and mobility components	EU Taxonomy	Enabling					
	Santander-specific	Enabling					
Manufacture of rail rolling stock constituents	Santander-specific	Enabling					
	EU Taxonomy	Enabling					
Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation	EU Taxonomy	Enabling					
	Santander-specific	Enabling					
Manufacturing of aircraft	EU Taxonomy	Transition					
	Santander-specific	Transition					
Manufacture, installation and associated services for leakage control technologies enabling leakage reduction and prevention in water supply systems	EU Taxonomy			Enabling			
Manufacture, installation and associated services for leakage control technologies enabling leakage reduction and prevention in water supply systems	Santander-specific	Own Performance	Own Performance				

Activity	Environmental classification	Mitigation	Adaptation	Water	Circular economy	Pollution	Biodiversity
Manufacture of plastic packaging goods	EU Taxonomy				Own Performance		
	Santander-specific				Own Performance		
Manufacture of active pharmaceutical ingredients (API) or active substances	EU Taxonomy				Own Performance		
	Santander-specific				Own Performance		
Manufacture of medicinal products	EU Taxonomy				Own Performance		
	Santander-specific				Own Performance		
Manufacture of clean Naphtha	Santander-specific	Enabling		Own Performance			
Manufacture and installation of equipment efficient in terms of energy consumption	Santander-specific	Own Performance					
Research, development and innovation for direct air capture of CO2	EU Taxonomy	Enabling					
	Santander-specific	Enabling					
Repair, refurbishment and remanufacturing	EU Taxonomy				Own Performance		
Sale of spare parts	EU Taxonomy				Own Performance		
Preparation for re-use of end-of-life products and product components	EU Taxonomy				Own Performance		
Sale of second-hand goods	EU Taxonomy				Own Performance		
Product-as-a-service and other circular use- and result-oriented service models	EU Taxonomy				Own Performance		
Marketplace for the trade of second-hand goods for reuse	EU Taxonomy				Enabling		
	Santander-specific				Enabling		
Manufacture of electrical and electronic equipment contribution to circular economy	EU Taxonomy				Own Performance		

A.8.1. Manufacture of renewable energy technologies

Activity description

Manufacture of renewable energy technologies.

Eligibility	Criteria
EU Taxonomy consistent	The activity complies with the following criteria: <ul style="list-style-type: none">The economic activity manufactures renewable energy technologies.
Santander-specific	Not applicable

A.8.2. Manufacture of equipment for the production and use of hydrogen

Activity description

Manufacture of equipment for the production and use of hydrogen.

Eligibility	Criteria
EU Taxonomy consistent	The activity complies with all of the following criteria: <ol style="list-style-type: none">The economic activity manufactures equipment for the production of hydrogen (e.g., electric heat pumps, electrolyzers for green hydrogen and hydrogen fuel cells) compliant with the Technical Screening Criteria set out in manufacture of hydrogen (produced through such as Steam Methane Reforming (SMR), Auto Thermal reforming (ATR)):<ol style="list-style-type: none">Lifecycle GHG emissions savings requirement of 73.4% for hydrogen [resulting in lifecycle GHG emissions lower than 3tCO2e/tH2] and70% for hydrogen-based synthetic fuels (28.2 g CO2e/MJ) relative to a fossil fuel comparator of 94 g CO2e/MJ; quantified lifecycle GHG emission savings are calculated using ISO 14067:2018119 or ISO 14064- 1:2018120 and are verified by an independent third partyThe CO2 leakage of carbon transport methods are limited to <= 0.5 %, and Carbon sequestration sites comply with internationally recognized standards (i.e. the activity complies with ISO 27914:2017)
Santander-specific	Not applicable

A.8.3. Manufacture of hydrogen

Activity description

Manufacture of hydrogen and hydrogen-based synthetic fuels.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with all of the following criteria:</p> <ol style="list-style-type: none">1. The economic activity complies with all of the following:<ol style="list-style-type: none">A. Lifecycle GHG emissions savings requirement of 73.4% for hydrogen [resulting in lifecycle GHG emissions lower than 3tCO2e/tH₂] andB. 70% for hydrogen-based synthetic fuels (28.2 g CO₂e/MJ) relative to a fossil fuel comparator of 94 g CO₂e/MJ; quantified lifecycle GHG emission savings are calculated using ISO 14067:2018119 or ISO 14064- 1:2018120 and are verified by an independent third party2. The CO₂ leakage of carbon transport methods are limited to <= 0.5 %, and Carbon sequestration sites comply with internationally recognized standards (i.e. the activity complies with ISO 27914:2017)
Santander-specific	Not applicable

A.8.4. Manufacture of low carbon technologies for transport

Activity description

Manufacture, repair, maintenance, retrofitting, repurposing and upgrade of low carbon transport vehicles, rolling stock and vessels.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with the following criteria [LTO]:</p> <ul style="list-style-type: none">• The economic activity manufactures, repairs, maintains, retrofits, repurposes or upgrades, that supports low carbon technologies for assets that comply with the EU Taxonomy criteria for transportation activities
Santander-specific	<p>The activity complies with one of the following criteria:</p> <ul style="list-style-type: none">• Electric vehicles and trains.• Zero direct emissions vehicles not intended for road, such as cranes and forklifts.• Active mobility, including bicycles and other forms of self-propelled types of transportation.• Vehicles and trains (including hybrids) with less than 75g CO₂ per km or 25g CO₂ per tonne-km (freight) until the end of 2025; starting on 1 January 2026 they will not be included in this SFICS.• Hydrogen-powered vehicles.• Development or improvement of railway transport infrastructure.• Development or manufacture of specialized components for green transportation, such as EV batteries.• The primary purpose (more than 25% share) should not be the transportation of fossil fuel freight.

A.8.5. Manufacture of batteries

Activity description

Manufacture of rechargeable batteries, battery packs and accumulators for transport, stationary and off-grid energy storage and other industrial applications. Manufacture of respective components (battery active materials, battery cells, casings and electronic components).

Eligibility	Criteria
EU Taxonomy consistent	The activity complies with either (1.) or (2.): <ol style="list-style-type: none">1. The economic activity manufactures rechargeable batteries, battery packs and accumulators (and their respective components), including from secondary raw materials, that result in substantial GHG emission reductions in transport, stationary and off-grid energy storage, and other industrial applications; and2. The economic activity recycles end-of-life batteries (e.g., EV batteries)¹⁸⁶
Santander-specific	Not applicable

¹⁸⁶ EU gradually introduces a law 2024 onwards regulating both higher collection targets and lithium recovery targets, no effects until mid-25 according to the EU regulation

A.8.6. Manufacture of energy efficiency equipment for buildings

Activity description

Manufacture of energy efficiency equipment for buildings.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with the following criteria [LTO]:</p> <ol style="list-style-type: none"> 1. The economic activity manufactures one or more of the following products and their key components: <ul style="list-style-type: none"> A. Windows with U-value lower or equal to 1,0 W/m²K B. Doors with U-value lower or equal to 1,2 W/m²K C. External wall systems with U-value lower or equal to 0,5 W/m²K D. Roofing systems with U-value lower or equal to 0,3 W/m²K E. Insulating products with a lambda value lower or equal to 0,06 W/mK; F. Household appliances falling into the highest two populated classes of energy efficiency (A or B) G. Light sources rated in the highest two populated classes of energy efficiency (A or B) H. Space heating and domestic hot water systems rated in the highest two populated classes of energy efficiency (A or B) I. Cooling and ventilation systems rated in the highest two populated classes of energy efficiency (A or B) J. Presence and daylight controls for lighting systems K. Heat pumps compliant with Energy's activity "Installation and operation of electric heat pumps L. Façade and roofing elements with a solar shading or solar control function, including those that support the growing of vegetation M. Energy-efficient building automation and control systems for residential and non-residential buildings N. Zoned thermostats and devices for the smart monitoring of the main electricity loads or heat loads for buildings, and sensoring equipment O. Products for heat metering and thermostatic controls for individual homes connected to district heating systems, for individual flats connected to central heating systems serving a whole building, and for central heating systems P. District heating exchangers and substations compliant Energy's activity "District heating/cooling distribution" Q. Products for smart monitoring and regulating of heating system, and sensoring equipment
Santander-specific	<p>The activity complies with any (1.), (2.) or (3.):</p> <ol style="list-style-type: none"> 1. The activity complies with one of the following criteria: <ul style="list-style-type: none"> A. A minimum EU Energy Efficiency Rating of B (EU) B. PROCEL rating of B (Brazil) C. A minimum A+ Energy Label (EEE) (Argentina) 2. Equivalent energy efficiency label 3. Manufacturing of energy efficiency equipment for buildings (products and their key components) including LEDs, Building Management Systems, green roof, heat metering, and energy efficient HVAC systems

A.8.7. Manufacture of other low carbon technologies

Activity description

Manufacture of technologies aimed at substantial GHG emission reductions in other sectors of the economy.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with the following criteria:</p> <ol style="list-style-type: none">1. The economic activity manufactures technologies that are aimed at and demonstrate substantial life-cycle GHG emission savings compared to the best performing alternative technology/product/solution available on the market¹⁸⁷2. Life cycle GHG emission savings are calculated using ISO 14067:2018 or ISO 14064-1:2018; quantified life cycle GHG emission savings are verified by an independent third party.
Santander-specific	Not applicable

A.8.8. Manufacture of cement

Activity description

Manufacture of cement clinker, cement or alternative binder.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity manufactures one of the following:</p> <ol style="list-style-type: none">1. Grey cement clinker where the specific GHG emissions are lower than 0,722 tCO2e per ton of grey cement clinker2. Cement from grey clinker or alternative hydraulic binder, where the specific GHG emissions from the clinker and cement or alternative binder production are lower than 0,469 tCO2e per ton of cement or alternative binder manufactured. <p>Where the CO2 that would otherwise be emitted from the manufacturing process is captured for the purpose of underground storage, the CO2 is transported and stored underground, the CO2 leakage of carbon transport methods are limited to <= 0.5 %, and Carbon sequestration sites comply with internationally recognized standards (i.e. the activity complies with ISO 27914:2017)¹⁸⁸</p>
Santander-specific	<p>The activity manufactures technologies that are:</p> <ol style="list-style-type: none">1. Aimed at and demonstrate life cycle GHG emission savings compared to the best performing alternative technology/product/solution available on the market, such as demand management technologies; and2. Where quantified, life cycle GHG emission savings must be verified by an independent third party

¹⁸⁷ EU Provides guidance on Best Available Techniques: https://eippcb.jrc.ec.europa.eu/sites/default/files/2019-11/CLM_Published_def_0.pdf

¹⁸⁸ Refers to the transport of CO2 and installation of assets that increase the flexibility and improve the management of an existing network to transport CO2

A.8.9. Manufacture of aluminium

Activity description

Manufacture of aluminium through primary alumina (bauxite) process or secondary aluminium recycling.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity manufactures either (1.) or (2.):</p> <ol style="list-style-type: none">1. Primary aluminium where the economic activity complies with two of the following criteria a), b) or c) until 2025, and with all of the following criteria after 2025:<ol style="list-style-type: none">A. The GHG emissions do not exceed 1,484 tCO₂e per ton of aluminium manufactured;B. The average carbon intensity for the indirect GHG emissions does not exceed 100g CO₂e/kWh;C. The electricity consumption for the manufacturing process does not exceed 15.5 MWh/t Al.2. Is secondary aluminium
Santander-specific	<p>The activity manufactures technologies that are:</p> <ol style="list-style-type: none">1. Aimed at and demonstrate life cycle GHG emission savings compared to the best performing alternative technology/product/solution available on the market, such as demand management technologies; and2. Where quantified, life cycle GHG emission savings must be verified by an independent third party

A.8.10. Manufacture of iron and steel

Activity description

Manufacture of iron and steel.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity manufactures one of the following:</p> <ol style="list-style-type: none"> 1. Iron and steel where GHG emissions, reduced by the amount of emissions assigned to the production of waste gases is attributed under the product benchmark sub installation where the waste gas is produced, not exceed the following values applied to the different manufacturing process steps¹⁸⁹: <ol style="list-style-type: none"> A. Hot metal = 1,331 tCO2e/t product; B. Sintered ore = 0,163 tCO2e/t product C. Coke (excluding lignite coke) = 0,144 tCO2e/t product D. Iron casting = 0,299(115) tCO2e/t product E. Electric Arc Furnace (EAF) high alloy steel = 0,266 tCO2e/t product F. electric Arc Furnace (EAF) carbon steel = 0,209 tCO2e/t product. 2. Steel in electric arc furnaces (EAFs) producing EAF carbon steel or EAF high alloy steel and where the steel scrap input relative to product output is not lower than: <ol style="list-style-type: none"> A. 70 % for the production of high alloy steel B. 90 % for the production of carbon steel <p>Where the CO2 that would otherwise be emitted from the manufacturing process is captured for the purpose of underground storage, the CO2 is transported and stored underground, the CO2 leakage of carbon transport methods are limited to <= 0.5 %, and Carbon sequestration sites comply with internationally recognized standards (i.e. the activity complies with ISO 27914:2017)¹⁹⁰</p>
Santander-specific	<p>The activity manufactures technologies that are:</p> <ol style="list-style-type: none"> 1. Aimed at and demonstrate life cycle GHG emission savings compared to the best performing alternative technology/product/solution available on the market, such as demand management technologies; and 2. Where quantified, life cycle GHG emission savings must be verified by an independent third party

¹⁸⁹ An amount of emissions assigned to the production of the waste gas is attributed under the product benchmark sub-installation where the waste gas is produced. This amount is calculated as follows:

$$\text{EmWG} = \text{VWG} \cdot \text{NCVWG} \cdot (\text{EFWG} - \text{EFNG} \cdot \text{Corr}) \quad (\text{Equation 17})$$

- Where EmWG is the amount of emissions assigned to the production of the waste gas, VWG is the volume of waste gas produced expressed as Nm³ or t, NCVWG is the net calorific value of the waste gas expressed as TJ/Nm³ or TJ/t, EFWG is the emission factor of the waste gas expressed as t CO₂/TJ, EFNG is the emission factor of natural gas (56,1 t CO₂/TJ), and Corr is a factor that accounts for the difference in efficiencies between the use of waste gas and the use of the reference fuel natural gas. The default value of this factor is equal to 0,667

¹⁹⁰ Refers to the transport of CO₂ and installation of assets that increase the flexibility and improve the management of an existing network to transport CO₂

A.8.11. Manufacture of carbon black

Activity description

Manufacture of carbon black.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with the following criteria:</p> <ul style="list-style-type: none">• GHG emissions from the carbon black production processes are lower than 1,141 tCO2e per ton of product
Santander-specific	<p>The activity manufactures technologies that are:</p> <ol style="list-style-type: none">1. Aimed at and demonstrate life cycle GHG emission savings compared to the best performing alternative technology/product/solution available on the market, such as demand management technologies; and2. Where quantified, life cycle GHG emission savings must be verified by an independent third party

A.8.12. Manufacture of soda ash

Activity description

Manufacture of soda ash

Eligibility	Criteria
EU Taxonomy consistent	GHG emissions from the soda ash production processes are lower than 0,789 tCO2e per tonne of product
Santander-specific	Not applicable

A.8.13. Manufacture of organic basic materials

Activity description

Manufacture of high value chemicals (HVC), acetylene, ethylene, propylene, butadiene, mixed alkylbenzenes, cyclohexane, benzene, o-Xylene, p-Xylene, m-Xylene, ethylbenzene, cumene, biphenyl, benzol, naphthalene and other aromatic hydrocarbon mixtures.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with one of the following criteria:</p> <p>GHG emissions from the organic basic chemicals production processes are lower than:</p> <p>HVC: 0,693 tCO2e/t of HVC Aromatics: 0,0072 tCO2e/t of complex weighted throughput Vinyl chloride: 0,171 tCO2e/t of vinyl chloride Styrene: 0,419 tCO2e/t of styrene Ethylene oxide/glycols: 0,314 tCO2e/t of ethylene oxide/ glycol Adipic acid: 0,32 tCO2e/t of adipic acid</p> <p>AND</p> <p>Life-cycle GHG emissions are calculated using ISO 14067 or ISO 14064 and are verified by an independent third party.</p>
Santander-specific	<p>The activity manufactures technologies that are: Aimed at and demonstrate life cycle GHG emission savings compared to the best performing alternative technology/product/solution available on the market, such as demand management technologies; and</p> <p>Where quantified, life cycle GHG emission savings must be verified by an independent third party</p>

A.8.14. Manufacture of nitric acid

Activity description

Manufacture of nitric acid.

Eligibility	Criteria
EU Taxonomy consistent	GHG emission from the manufacture of nitric acid are lower than 0,038 tCO2e per tonne of nitric acid
Santander-specific	Not applicable

A.8.15. Manufacture of chlorine

Activity description

Manufacture of chlorine.

Eligibility	Criteria
EU Taxonomy consistent	The activity complies with all of the following:

	<ol style="list-style-type: none"> 1. Electricity consumption for electrolysis and chlorine treatment is equal or lower than 2.45 MWh per ton of chlorine. 2. Average lifecycle GHG emissions of the electricity used for chlorine production is at or lower than 100 g CO2e/kWh. <p>The life cycle GHG emissions are calculated using ISO 14067 or ISO 14064</p>
Santander-specific	<p>The activity manufactures technologies that are:</p> <ol style="list-style-type: none"> 1. Aimed at and demonstrate life cycle GHG emission savings compared to the best performing alternative technology/product/solution available on the market, such as demand management technologies; and 2. Where quantified, life cycle GHG emission savings must be verified by an independent third party

A.8.16. Manufacture of anhydrous ammonia

Activity description

Manufacture of anhydrous ammonia.

Eligibility	Criteria
EU Taxonomy consistent	<p>Either (1.) or (2.) are complied with:</p> <ol style="list-style-type: none"> 1. The ammonia is produced from hydrogen and complies with the thresholds outlined in the Hydrogen activity of Manufacturing of Hydrogen: life-cycle GHG emissions savings requirement of 73.4% for hydrogen [resulting in life-cycle GHG emissions lower than 3tCO2e/tH₂] and 70% for hydrogen-based synthetic fuels relative to a fossil fuel comparator of 94g CO2e/MJ; Quantified life-cycle GHG emission savings are calculated using ISO 14067:2018119 or ISO 14064- 1:2018120 and are verified by an independent third party <ul style="list-style-type: none"> A. The CO₂ leakage of carbon transport methods are limited to <= 0.5 %, and Carbon sequestration sites comply with internationally recognized standards (i.e. the activity complies with ISO 27914:2017) 2. Ammonia is recovered from wastewater
Santander-specific	<p>The activity manufactures technologies that are:</p> <ol style="list-style-type: none"> 1. Aimed at and demonstrate life cycle GHG emission savings compared to the best performing alternative technology/product/solution available on the market, such as demand management technologies; and 2. Where quantified, life cycle GHG emission savings must be verified by an independent third party

A.8.17. Manufacture of plastics in primary form

Activity description

Manufacture resins, plastics materials and non-vulcanisable thermoplastic elastomers, the mixing and blending of resins on a custom basis, as well as the manufacture of non-customised synthetic resins.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with one of the following criteria:</p> <ol style="list-style-type: none">1. The plastic in primary form is fully manufactured by mechanical recycling of plastic waste2. Where mechanical recycling is not technically feasible or economically viable, the plastic in primary form is fully manufactured by chemical recycling of plastic waste and the life-cycle GHG emissions of the manufactured plastic, excluding any calculated credits from the production of fuels, are lower than the life-cycle GHG emissions of the equivalent plastic in primary form manufactured from fossil fuel feedstock. Life-cycle GHG emissions are calculated using ISO 14067:2018 or ISO 14064-1:2018¹⁹¹. Quantified life-cycle GHG emissions are verified by an independent third party3. Derived wholly or partially from renewable feedstock and its life-cycle GHG emissions are lower than the life-cycle GHG emissions of the equivalent plastics in primary form manufactured from fossil fuel feedstock. Life-cycle GHG emissions are calculated using Quantified life-cycle GHG emissions such as ISO 14067 or ISO 14064, which are verified by an independent third party¹⁹²4. Biofuels, bioliquids and biomass fuels produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, wetlands or peatlands and forest biomass shall not derive from unsustainable production; examples of non-eligible land include protected areas, natural reserves, land certified by IUCN RLE; products certified by FSC® are eligible
Santander-specific	<p>The activity manufactures technologies that are:</p> <ol style="list-style-type: none">1. Aimed at and demonstrate life cycle GHG emission savings compared to the best performing alternative technology/product/solution available on the market, such as demand management technologies; and2. Where quantified, life cycle GHG emission savings must be verified by an independent third party

¹⁹¹ Raw Material Acquisition and Manufacturing Emission Factor for Virgin Production of Plastics [MTCO2E/Short ton] - [Source: epa.gov] [Material/ product - Net emissions] -> [HDPE-1.57][LDPE-1.8][PET-2.25][LLDPE-1.58][PP-1.55][PS-2.5][PVC-1.96]

¹⁹² Approximately one ounce (28g) of carbon dioxide is emitted for each ounce of polyethylene (PET) produced; quantified method could include Commission Recommendation 2021/2279/EU or equivalent alternatives.

A.8.18. Manufacture of automotive and mobility components

Activity description

Manufacture, repair, maintenance, retrofitting, repurposing and upgrade of mobility components for zero-emission personal mobility devices and of automotive and mobility systems, components, separate technical units, parts and spare parts.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with one of the following criteria:</p> <ol style="list-style-type: none">1. Manufacture, repair, maintenance, retrofitting, repurposing and upgrade of mobility components for zero-emission personal mobility devices and of automotive and mobility systems, components, separate technical units, parts and spare parts¹⁹³¹⁹⁴¹⁹⁵, type approved, designed, and constructed for use only in vehicles and buses of category M1, M2, M3 (buses or shuttles) N1, N2 and N3 (light commercial vehicles or commercial trucks not exceeding 7.5 tonnes of maximum laden mass), type approved, designed, and constructed for use only in motorbikes (with license plate) meeting the criteria set out in this Section and which are essential for delivering and improving the environmental performance of the vehicle.<ol style="list-style-type: none">A. Urban, suburban and road passenger transport devices, where the direct (tailpipe) CO2 emissions of the vehicles are zero;B. Buses or shuttles where the direct (tailpipe) CO2 emissions of the vehicles are zero<ol style="list-style-type: none">i. Passenger vehicles (with no more than eight seats in addition to the driver's) and Light commercial vehicles (maximum mass not exceeding 3.5 tones) classified as light-duty vehicles (specific CO2 emissions of less than half of the reference CO2 emissions of all vehicles in the vehicle sub-group to which the heavy-duty vehicle belongs), are zeroii. Motorbikes (with license plate) with tailpipe CO2 emissions equal to 0 g CO2e/km;iii. Light commercial vehicles and commercial trucks classified as heavy-duty vehicles, not dedicated to transporting fossil fuels with a technically permissible maximum laden mass not exceeding 7.5 tones that are 'zero-emission heavy-duty vehicles' (without an internal combustion engine, or with an internal combustion engine that emits less than 1 g CO2/kWh or 1g CO2/km)2. The economic activity manufactures, repairs, maintains, retrofits, repurposes and upgrades mobility components for personal mobility devices with a propulsion that comes from the physical activity of the user, from a zero-emissions motor, or a mix of zero-emissions motor and physical activity.
Santander-specific	<p>Manufacture, repair, maintenance, retrofitting, repurposing, and upgrade of mobility components for zero-emission personal mobility devices and of automotive and mobility systems, components, separate technical units, parts and spare parts, type approved, designed, and constructed for use only in vehicles that comply with both (1) or (2) suffice:</p> <ol style="list-style-type: none">1. A carbon intensity factor of 75g CO2/km or less (outside of EU), down to <50g CO2/km in 2026 (for EU only)2. Zero direct emissions vehicles not intended for road, such as cranes and forklifts

¹⁹³ Means an assembly of devices combined to perform one or more specific functions in a vehicle and that is subject to the requirements of this Regulation or any of the regulatory acts listed;

¹⁹⁴ Means goods used for the assembly, repair and maintenance of a vehicle, as well as spare parts;

¹⁹⁵ Means goods that are to be installed in or on a vehicle to replace original parts of that vehicle, including goods that are necessary for the use of a vehicle, with the exception of fuel;

A.8.19. Manufacture of rail rolling stock constituents

Activity description

Manufacture, installation, technical consulting, retrofitting, upgrade, repair, maintenance, and repurposing of products, equipment, systems, and software related to the rail constituents.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with all of the following criteria:</p> <ol style="list-style-type: none">1. The economic activity manufactures, installs, retrofits, repairs, maintains, upgrades or repurposes products, equipment, systems or software related to the following rail constituents detailed in Rolling stock or provides related technical consulting services:2. These constituents and services are essential to the environmental performance, operation and functioning over the lifetime of one or more of the technologies listed below:<ol style="list-style-type: none">A. Trains, passenger coaches and wagons that have zero direct (tailpipe) CO₂ emissions that comply with Manufacture of low carbon technologies for transport criteriaB. Trains, passenger coaches and wagons that have zero direct tailpipe CO₂ emission when operated on a track with necessary infrastructure, and use a conventional engine where such infrastructure is not available (bimode) that comply with Manufacture of low carbon technologies for transport criteria
Santander-specific	<p>Manufacturing of technologies that are:</p> <ol style="list-style-type: none">1. Aimed at and demonstrate substantial life cycle GHG emission savings compared to the best performing alternative technology/product/solution available on the market, such as demand management technologies; and2. Where quantified, life cycle GHG emission savings must be verified by an independent third party

A.8.20. Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation

Activity description

The economic activity develops, manufactures, installs, maintains or services electrical products, equipment or systems, or software aimed at substantial GHG emission reductions in high, medium and low voltage electrical transmission and distribution systems through electrification, energy efficiency, integration of renewable energy or efficient power conversion.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with all of the following criteria:</p> <ol style="list-style-type: none">1. The activity manufactures, installs, maintains, or provides maintenance, repair and technical consulting services essential to the functioning over the lifetime of one or more of the following:<ol style="list-style-type: none">A. Electric vehicle charging stations and supporting electric infrastructure for the electrification of transport. Any activity included in Section 7.4. is excluded (Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings))B. transmission and distribution devices, transformers, and medium power transformers with highest voltage for equipment not exceeding 36 kV, with AA0 level requirements on no-load losses set out in standard EN 50708 series; provided those devices and transformers contribute to increasing the proportion of renewable energy in the system or improve energy efficiencyC. Low voltage electrical products, equipment and systems, that increase the controllability of the electricity system, and contribute to increasing the proportion of renewable energy or improve energy efficiency. Equipment and systems that increase controllability of electricity and increase proportion of renewable energy or improve efficiency, that are: low voltage electrical products that comply with IEC TR 63196, Home and Building Electronic Systems (HBES), as referred to in EN IEC 63044 series; and technologies that enable to increase the energy efficiency of low voltage installations, recognized under HD 60364-8-1, Part 8-1 and HD 60364-8-82, Part 8-82: Functional aspects.D. High and medium voltage switchgears and control gears that increase the controllability of the electricity system, are integrated to increase the proportion of renewable energy or improve energy efficiency and complies with EN 62271-1, Part 1 and EN 62271-200, Part 200E. Demand response and load shifting equipment, systems and services that increase the flexibility of the electricity system and support grid stability, (e.g., solutions to carry information to users for remotely acting, automated control centers for load management, where not included in Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation, advanced software and analytics to maximize efficiency and automation).F. Where not included in Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation, communication, software and control equipment, products, systems and services for energy efficiency or integration of renewable energy (e.g., equipment to allow for exchange of renewable energy between users, battery swapping technology or services, microgrid management systems, energy pr power management systems, contractors, motor starters and motor controls or variable speed drives and other solutions)

Eligibility	Criteria
	<p>2. The following elements are not compliant:</p> <ul style="list-style-type: none"> A. Infrastructure directly connecting or enhancing connections between a substation/network and a power plant with a greenhouse gas intensity > 100 g CO₂e/kWh during its life cycle. This excludes equipment directly used for these connections to such power plants B. products, equipment, systems and software that are installed in an infrastructure dedicated to the extraction, transport, distribution, storage, manufacturing or transformation of fossil fuels <p>3. Switchgears with insulating or breaking medium using, or whose functioning relies on gases with a Global Warming Potential above 10 are not compliant. For all power ranges, switchgears containing SF₆ are not compliant.</p>
Santander-specific	<p>Manufacturing of technologies that are:</p> <ol style="list-style-type: none"> 1. Aimed at and demonstrate substantial life cycle GHG emission savings compared to the best performing alternative technology/product/solution available on the market, such as demand management technologies; and 2. Where quantified, life cycle GHG emission savings must be verified by an independent third party

A.8.21. Manufacturing of aircraft

Activity description

Manufacture, repair, maintenance, overhaul, retrofitting, design, repurposing and upgrade of aircraft and aircraft parts and equipment.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity manufactures, repairs, maintains, overhauls, retrofits, designs, repurposes or upgrades one of the following:</p> <ol style="list-style-type: none"> 1. The aircraft with zero direct (tailpipe) CO₂ emissions; 2. Until 31 December 2027, the aircraft, other than produced for private or commercial business aviation, meeting the margins specified below and limited by the replacement ratio to ensure that the delivery does not increase the worldwide fleet number: for take-off mass between 5.7 t - 60 t, 11% below ICAO standards; for 60 t - 150 t, 2% below ICAO; for >150 t, 1.5% below ICAO. 3. from 1 January 2028 to 31 December 2032, the aircraft meeting the technical screening criteria set out in point (b) of this subsection that is certified to operate on 100 % blend of sustainable aviation fuels. <p><i>Pending the disclosure of the replacement ratio and eligibility considerations by the European Union - Expected by early 2024</i></p>
Santander-specific	<p>Manufacture, maintenance, extension, repair/purchase or reconditioning/retrofit/upgrades, or operation of aviation equipment where both (1.) and (2.) are met:</p> <ol style="list-style-type: none"> 1. Hybrid planes for freight transport or small distances. 2. The primary purpose (more than 25% share) should not be the transportation of fossil fuel freight.

A.8.22. Manufacture, installation and associated services for leakage control technologies enabling leakage reduction and prevention in water supply systems

Activity description

The economic activity manufactures, installs, or provides associated services for leakage control technologies that enable leakage reduction and prevention in water supply systems (WSSs).

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with the following criteria:</p> <ul style="list-style-type: none">• The activity manufactures, installs or provides maintenance, repairs or professional services for leakage control technologies in new or existing water supply systems, aimed at controlling the pressure in district metered areas (DMAs) of the water supply system to a minimum pressure.¹⁹⁶ [LTO]
Santander-specific	<p>The activity complies with the following criteria:</p> <ul style="list-style-type: none">• Systems that narrow the gap between actual supply network leakage and a given low leakage target by at least 20%. The unit of measurement is the Infrastructure Leakage Index (ILI). The target low leakage is an ILI of 1.5. Repair works to reduce water leakages in the infrastructure are included.

¹⁹⁶ The leakage control technologies include in particular pressure control valves, pressure transmitters, flow meters and communication devices and special civil works, including manholes to maintain the pressure control valves.

A.8.23. Manufacture of plastic packaging goods

Activity description

Manufacture of plastic packaging goods.

Eligibility	Criteria
EU Taxonomy consistent	<p>1. The activity complies with one of the following criteria:</p> <ul style="list-style-type: none"> A. Use of circular feedstock: until 2028, at least 35% of the packaging product by weight consists of recycled post-consumer material for non-contact [LTO] sensitive packaging and at least 10% for contact sensitive packaging B. Design for reuse: the packaging product has been designed to be reusable within a reuse system and fulfils the requirements for the use of circular feedstock, as set in point 1.A with 35% and 10% targets for recycled feedstock. The system for reuse is established in a way that ensures the possibility of reuse in a closed-loop or open-loop system which: <ul style="list-style-type: none"> i. Provides a defined governance structure and keeps records on the number of fillings, re-uses, rejects, collection rate, amount of reusable packaging placed on the market and units of sales or equivalent units ii. Provides rules on the product scope and packaging formats, as well as on the collection of reusable packaging, including incentives for consumers iii. Ensures open and equal access and conditions for all economic operators wishing to become part of it, including proportionate distribution of costs and benefits for all system participants C. Use of bio-waste feedstock: at least 65% of the packaging product by weight consists of sustainable bio-waste feedstock. <p>2. The packaging product complies with all of the criteria specified below:</p> <ul style="list-style-type: none"> A. The unit of packaging is designed to be recyclable. At best, the unit of packaging is made from the same material (mono-material solution) or, the packaging must allow for separation of its non-recyclable components B. In addition, the packaging is evaluated as recyclable at scale (e.g., minimum recycling rates are achieved (i.e., minimum recycling rates of 50% is achieved)¹⁹⁷) C. When the packaging material is produced, the feedstock may not contain hazardous substances that are carcinogenic, mutagenic or toxic properties [LTO] D. Compostable plastic materials in packaging applications are used only for very lightweight plastic carrier bags; tea, coffee or other beverage bags; tea, coffee or other beverage pads and sticky labels attached to fruit and vegetables
Santander-specific	For non-EU countries, same as EU taxonomy consistent criteria excepting compliance with LTO

¹⁹⁷ Additional research on plastic manufacturing

- The use of fossil fuel resources as a feedstock for plastics represents only around 4% of the overall demand for these resources, indicating that the plastics industry is progressively diversifying its feedstock and increasing the use of alternative sources
- As of 2020, the total global production capacity of bioplastics, which are derived from sustainable bio-waste feedstock, was 2.11 million metric tons. It is forecasted to continue growing year-over-year, reaching 2.87 million metric tons by 2025. This suggests that the availability of sustainable bio-waste feedstock is increasing
- The recycling rates for plastic packaging in EU member states vary considerably but are typically below 40%, meaning that a significant portion of plastic packaging is not being recycled and is often landfilled or incinerated

Based on these insights, it appears that achieving a minimum of 65% of packaging product weight consisting of sustainable bio-waste feedstock may be challenging in Europe.

Here are the sources we have used: <https://plasticseurope.org/sustainability/climate/circular-feedstocks/>

https://task36.ieabioenergy.com/wp-content/uploads/sites/4/2020/12/IEABioT36-workshop-report_Waste-for-feedstock-recycling_final.pdf
<https://www.statista.com/topics/8744/bioplastics-industry-worldwide/>

A.8.24. Manufacture of active pharmaceutical ingredients (API) or active substances

Activity description

Manufacture of active pharmaceutical ingredients (API) or active substances.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with either (1.) and (2.):</p> <ol style="list-style-type: none">1. The activity complies with all of the following requirements:<ol style="list-style-type: none">A. The activity complies with one of the following requirements:<ol style="list-style-type: none">i. The ingredients of the API include naturally occurring substances such as vitamins, electrolytes, amino acids, peptides, proteins, nucleotides, carbohydrates and lipids and generally considered to be degradable in the environment; or the medicinal product qualifies as an appropriate substitute to another medicinal product, within the same therapeutic area or the substance classii. Where the API does not comply with the requirements specified in point (a), the API, its key human metabolites and its key transformation products in the environment comply with one of the following:<ol style="list-style-type: none">a. Are classified as readily biodegradable based on at least one of the test methods from the OECD Guidelines for the Testing of Chemicals, Test 301 (A-F),b. Can be concluded to be mineralized based on a specific Test No. 308: Aerobic and Anaerobic Transformation in Aquatic Sediment Systems (OECD 308) of the OECD GuidelinesB. The API qualifies as an appropriate substitute to another API, within the same therapeutic area or the substance class, that is available in the market or was available during last 5 years and that does not comply with the requirements described in point 1.1. Compliance with this requirement is demonstrated through a publicly available analysis verified by an independent third partyC. The manufacturing process of the API does not involve the use of restricted chemicals, whether on their own or in mixtures; except where it is assessed and documented that no other suitable alternatives are available on the market2. The activity complies with the following requirements regarding the emission of pollutants:<ol style="list-style-type: none">A. Where the activity falls within its scope, the emission limit values shall be lower than the mid-point of the BAT-AEL (Best Available Technique – Associated Emission Level) ranges for waste gas management and treatment systems; Manufacture of Organic Fine Chemicals; Large Volume Inorganic Chemicals; production of specialty inorganic chemicalsB. Where a continuous measurement methodology for a certain pollutant is available, the operator applies Continuous Emission Monitoring Systems (CEMS), Continuous Effluent Quality Monitoring Systems (CEQMS) and other measures ensuring the regular verification of non-deterioration of environmentC. The operator applies solvent waste segregation for solvent recovery from concentrated waste streams, where technically applicable. (e.g., avoids solvents such as benzene, carbon tetrachloride, maximum solvents loss from total inputs does not exceed a 3% loss; total volatile organic compound (VOC) recovery efficiency is at least 99%; carrying out Leak detection and repair (LDAR) campaigns at least every 3 years; Diffuse emissions of substances or mixtures classified carcinogenic, mutagenic or reprotoxic from leaky equipment do not exceed a concentration of 100 ppmv) [LTO]D. Sewage, refuse, and other waste (including solids, liquids, or gaseous by-products from manufacturing) are disposed of in a safe, timely, and sanitary manner. Containers or pipes for waste material are clearly identified. Analytical data demonstrating the conversion of these substances and their residues to non-hazardous waste materials are available at the facility and kept up to date

Eligibility	Criteria
Santander-specific	For non-EU countries, same as EU taxonomy consistent criteria excepting compliance with LTO

A.8.25. Manufacture of medicinal products

Activity description

Manufacture of medicinal products.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with (1.) and (2.):</p> <ol style="list-style-type: none"> 1. The activity complies with either (a.) or (b.), and complies with (c.): <ol style="list-style-type: none"> A. The ingredient includes naturally occurring substances such as vitamins, electrolytes, amino acids, peptides, proteins, nucleotides, carbohydrates and lipids and generally considered to be degradable in the environment; or the medicinal product qualifies as an appropriate substitute to another medicinal product, within the same therapeutic area or the substance class B. The manufacturer proves that there are no ingredients to produce an alternative medicinal product that qualifies as an appropriate substitute, within the same therapeutic area or the substance class, which meets all the below criteria: <ol style="list-style-type: none"> i. The manufacturer performs an analysis that there is no appropriate substitute to the produced medicinal product, publishes the core results of that analysis and demonstrates that they started initiatives to develop that alternative ii. No significant risk associated with the environmental presence of the pharmaceutical (PEC/PNEC <1) iii. Packaging and distribution systems allow adjusting the sold amount to the required amount by the treatment/s iv. Public information, such as leaflets or websites, updated according to the state of the art, is provided about dose and dosing method to minimize the excess of dosed API v. Packaging and distribution systems allow using the most efficient dosing system available according to the state of the art and considering the kind of administration, such as by health care professionals or domestic. The manufacturer publishes the main results of that analysis¹⁹⁸. vi. The manufacturer contributes to mitigating the environmental impact of incorrect waste disposal of unused medicinal product, including by providing relevant information to the downstream users on appropriate disposal of unused medicinal product C. The manufacturing process does not involve the use of restricted chemicals, whether on their own or in mixtures; except where it is assessed and documented that no other suitable alternatives are available on the market 2. The activity complies with the following requirements regarding the emission of pollutants: <ol style="list-style-type: none"> A. Where the activity falls within its scope, the emission limit values shall be lower than the mid-point of the BAT-AEL (Best Available Technique – Associated Emission Level) ranges for waste gas management and treatment systems; Manufacture of Organic Fine Chemicals; Large Volume Inorganic Chemicals; production of specialty inorganic chemicals B. Where a continuous measurement methodology for a certain pollutant is available, the operator applies Continuous Emission Monitoring Systems (CEMS), Continuous Effluent Quality Monitoring Systems (CEQMS) and other measures ensuring the regular verification of non-deterioration of environment

¹⁹⁸ EU Provides guidance on Best Available Techniques: https://eippcb.jrc.ec.europa.eu/sites/default/files/2019-11/CLM_Published_def_0.pdf

Eligibility	Criteria
	<p>C. The operator applies solvent waste segregation for solvent recovery from concentrated waste streams, where technically applicable. (e.g. avoids solvents such as benzene, carbon tetrachloride, maximum solvents loss from total inputs does not exceed a 3% loss; total volatile organic compound (VOC) recovery efficiency is at least 99%; carrying out Leak detection and repair (LDAR) campaigns at least every 3 years; Diffuse emissions of substances or mixtures classified carcinogenic, mutagenic or reprotoxic from leaky equipment do not exceed a concentration of 100 ppmv) [LTO]</p> <p>D. Sewage, refuse, and other waste (including solids, liquids, or gaseous by-products from manufacturing) are disposed of in a safe, timely, and sanitary manner. Containers or pipes for waste material are clearly identified. Analytical data demonstrating the conversion of these substances and their residues to non-hazardous waste materials are available at the facility and kept up to date</p>
Santander-specific	For non-EU countries, same as EU taxonomy consistent criteria excepting compliance with LTO

A.8.26. Manufacture of clean Naphtha

Activity description

Manufacturing of clean Naphtha

Eligibility	Criteria
EU Taxonomy consistent	<ul style="list-style-type: none"> Not applicable
Santander-specific	<p>The activity complies with the following criteria:</p> <ol style="list-style-type: none"> Clean Naphtha is to be certified by the International Sustainability and Carbon Certification (ISCC Plus) or equivalent

A.8.27. Manufacture and installation of equipment efficient in terms of energy consumption

Activity description

Manufacturing and installation of machinery or equipment efficient in terms of energy consumption compared to market practices.

Eligibility	Criteria
EU Taxonomy consistent	Not applicable
Santander-specific	<p>Manufacture and installation of equipment which can prove at least at one of the following:</p> <ol style="list-style-type: none"> Machinery assessed as Best Available Technology (BAT), or Ensuring energy reduction or GHG emission reduction by more than 30% (or alternative levels, that is suitable to be defined as "substantial", as appropriate for the specific industry/ region/ technology) vs. previous technology <p>Fossil fuels or alternatives are excluded</p>

A.8.28. Research, development and innovation for direct air capture of CO₂

Activity description

Research applied research and experimental development of solutions, processes, technologies, business models and other products dedicated to the direct air capture of CO₂ in the atmosphere.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with the following criteria:</p> <ol style="list-style-type: none">1. The activity researches, develops or provides innovation for technologies, products or other solutions that are dedicated to the direct air capture of CO₂ in the atmosphere2. The implementation of the technologies, products or other solutions being researched for the direct air capture of CO₂ in the atmosphere has the potential to result in overall net GHG emissions reductions once commercialized3. Where the researched, developed or innovated technology, product or other solution is at TRL 1 to 7, life-cycle GHG emissions are evaluated in simplified form by the entity carrying out the research. The entity demonstrates one of the following, where applicable:<ol style="list-style-type: none">A. a patent not older than 10 years associated with the technology, product or other solution, where information on its GHG emission reduction potential has been provided;B. a permit obtained from a competent authority for operating the demonstration site associated with the innovative technology, product or other solution for the duration of the demonstration project, where information on its GHG emission reduction potential has been provided. <p>Where the researched, developed or innovated technology, product or other solution is at TRL 8 or higher, life-cycle GHG emissions are calculated using ISO 14067:2018(388) or ISO 14064-1:2018(389) and are verified by an independent third party.</p>
Santander-specific	Infrastructure, equipment, products, technologies and software applications to test and monitor emissions and pollution, as well as projects to reduce GHG and air emissions and to minimize or re-use waste heat.

A.8.29. Repair, refurbishment and remanufacturing

Activity description

Repair, refurbishment and remanufacturing of goods that have been used for their intended purpose before by a customer (physical person or legal person).

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with the following criteria:</p> <ol style="list-style-type: none">1. The economic activity consists of extending the lifetime of products by repairing, refurbishing or remanufacturing products that have already been used for their intended purpose by a customer2. The economic activity complies with the following criteria:<ol style="list-style-type: none">A. The replaced parts, the refurbished products or the remanufactured products are covered by a sales contract where relevant and in accordance with provisions as regards conformity of the product, liability of the seller, burden of proof, remedies for lack of conformity, the modalities for the exercise of those remedies, repair or replacement of the goods, and commercial guaranteesB. The economic activity implements a waste management plan that ensures that the product's materials, particularly critical raw materials, and components that have not been reused in the same product are reused elsewhere, or, where reuse is not possible, are recycled, or, only where reuse and recycling is not viable, are disposed of in accordance with applicable legislation. <p>For remanufacturing, the waste management plan is accessible to the public.</p>
Santander-specific	Not applicable

A.8.30. Sale of spare parts

Activity description

Sale of spare parts.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with all of the following criteria:</p> <ol style="list-style-type: none">1. The economic activity consists of the sale of spare parts beyond legal obligations.2. The economic activity complies with the following criteria:<ol style="list-style-type: none">A. Each sold spare part is covered by a sales contract where relevant and in accordance with provisions as regards conformity of the product and relevant conditionsB. Each sold spare part for a product replaces, or intends to replace in the future, an existing part in order to restore or upgrade the product's functionality, in particular in case where the existing part is broken3. Where the economic activity involves delivery of packaged products to customers, the primary and secondary packaging of the product complies with one of the following criteria:<ol style="list-style-type: none">A. The packaging is made of at least 65% recycled materialB. The packaging has been designed to be reusable within a reuse system.
Santander-specific	Not applicable

A.8.31. Preparation for re-use of end-of-life products and product components

Activity description

Preparation for re-use of products and components at the end of life.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with all of the following criteria:</p> <ol style="list-style-type: none"> 1. The activity prepares for re-use products or components of products that have become waste so that they can be re-used without any other pre-processing 2. The activity's waste feedstock originates from separately collected and transported waste in source segregated or comingled fractions 3. The activity has implemented acceptance, safety and inspection procedures that comply with a procedure that: <ul style="list-style-type: none"> A. Is in place to check the suitability for preparing for re-use or recycling¹⁹⁹ B. Is suited to the category of discarded end-of-life products, which are prepared for re-use and C. A proper training is provided and ensures that the re-use operators are qualified for the preparing for re-use activities²⁰⁰ 4. The activity uses the tools and equipment suited for the preparation for re-use of discarded end-of-life products. 5. The activity has a system to report recovery rate and, where applicable, targets for preparing for re-use or recycling set out by Union or national legislation. 6. The activity complies with the following criteria: <ul style="list-style-type: none"> A. The output of the activity are products or components of products which are suitable for re-use without any other processing; B. Sold goods are covered by a sales contract where relevant and in accordance with provisions as regards conformity of the product and relevant conditions 7. For the preparation for re-use of Waste from Electrical and Electronic Equipment (WEEE), the economic activity is permitted to treat waste and implements an environmental management system using ISO 14001:2015171, or equivalent and a Quality management system using ISO 9001:2015173.
Santander-specific	Not applicable

¹⁹⁹ Additionally, ensures that the activity implements a publicly available waste management plan, which ensures that discarded end-of-life products not suitable for preparing for re-use are sent for recycling or, only where reuse and recycling is not viable, disposed of;

²⁰⁰The EU Taxonomy is generic in this criteria to cover more activities, as a consequence, no reference to any specific training is provided. However, given that this is a services activity, the focus is on circular economy, for additional guidance CSRD ESRS E5 Resource Use and Circular Economy can be useful guiding the implementation Link:

<https://www.efrag.org/Assets/Download?assetUrl=%2Fsites%2Fwebpublishing%2FSiteAssets%2FWorking%2520paper%2520on%2520draft%2520SRS%2520E5%2520Resource%2520use%2520and%2520Circular%2520Economy%2520vf.pdf&AspxAutoDetectCookieSupport=1>

A.8.32. Sale of second-hand goods

Activity description

Sale of second-hand goods that have been used for their intended purpose before by a customer (physical person or legal person), possibly after repair, refurbishment or remanufacturing.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with all of the following criteria:</p> <ol style="list-style-type: none">1. The economic activity consists of selling a second-hand product that had been used for its intended purpose by a customer (physical person or legal person)2. The sold product is covered by a sales contract where relevant and in accordance with provisions as regards conformity of the product and relevant conditions3. Where the product has been repaired, refurbished, or remanufactured before reselling, the activity implements a waste management plan²⁰¹4. Where the economic activity involves delivery of packaged products to customers (e.g., operated as an e-commerce), the primary and secondary packaging of the product complies with one of the following criteria:<ol style="list-style-type: none">A. The packaging is made of at least 65% recycled materialB. The packaging has been designed to be reusable within a reuse system
Santander-specific	Not applicable

²⁰¹ Additionally, ensures that the activity implements a publicly available waste management plan, which ensures that discarded end-of-life products not suitable for preparing for re-use are sent for recycling or, only where reuse and recycling is not viable, disposed of

A.8.33. Product-as-a-service and other circular use- and result-oriented service models

Activity description

Providing customers (physical person or legal person) with access to products through service models, which are either use-oriented services, where the product is still central, but its ownership remains with the provider and the product is leased, shared, rented or pooled; or result-oriented, where the payment is pre-defined and the agreed result (i.e., pay per service unit) is delivered.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with all of the following criteria:</p> <ol style="list-style-type: none">1. The activity provides the customer with access to, and use of product(s), while ensuring that the ownership remains with the company providing this service. The terms and conditions ensure that all sub-criteria are met:<ol style="list-style-type: none">A. There is an obligation for the provider of the service to take back the used product at the end of the contractual agreementB. There is an obligation for the customer to give back the used product at the end of the contractual agreementC. The provider of the service remains owner of the productD. The customer pays for access to and use of the product, or the result of access to and use of this product2. The activity leads to an extended lifespan or increased use intensity of the product in practice3. Where the economic activity involves delivery of packaged products to customers (e.g., operated as an e-commerce), the primary and secondary packaging of the product complies with one of the following criteria:<ol style="list-style-type: none">A. The packaging is made of at least 65% recycled materialB. The packaging has been designed to be reusable4. For wearing apparel, where the economic activity involves laundry and dry-cleaning of used wearing apparel, the activity complies with an ISO type 1 ecolabel or equivalent
Santander-specific	Not applicable

A.8.34. Marketplace for the trade of second-hand goods for reuse

Activity description

Development and operation of marketplaces and classifieds for the trade (sale or exchange) of second-hand products, materials or components for reuse, where the marketplaces and classifieds act as an intermediary to match buyers seeking a service or product with sellers or providers of those products or services.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with all of the following criteria:</p> <ol style="list-style-type: none">1. The economic activity consists of developing and operating marketplaces or classifieds to support the sale or reuse of second-hand products, components or materials. The activity enables the trade (sale or exchange) for reuse of second-hand goods as specified in the activity description that have already been used for their intended purpose before by a consumer or an organization, with or without repair.2. Where servers and data storage products are being used:<ol style="list-style-type: none">A. The equipment used does not contain: Lead (0,1 %), Mercury (0,1 %), Cadmium (0,01 %), Hexavalent chromium (0,1 %), Polybrominated biphenyls (PBB) (0,1 %) or Polybrominated diphenyl ethers (PBDE) (0,1 %), except where the concentration values by weight in homogeneous materials are not exceeded [LTO]B. A waste management plan is in place to favor reuse as a priority and recycling at the end of life of electrical and electronic equipment, such as contractual agreements with recycling partnersC. At its end of life, equipment undergoes preparation for reuse, recovery or recycling operations, or proper treatment, including the removal of all fluids and a selective treatment (e.g., equipment containing gases that are ozone depleting or have a global warming potential (GWP) above 15, such as those contained in foams and refrigeration circuits or gas discharge lamps, where the mercury shall be removed)
Santander-specific	For non-EU countries, same as EU taxonomy consistent criteria excepting compliance with LTO

A.8.35. Manufacture of electrical and electronic equipment contribution to circular economy

Activity description

Manufacturing of electrical and electronic equipment for industrial, professional and consumer use. This activity includes manufacturing of rechargeable and non-rechargeable portable batteries. The activity does not include manufacturing of other battery categories.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with all of the following criteria:</p> <ol style="list-style-type: none">1. EU Ecolabel criteria applicable to that specific product category.2. Where no product specific EU Ecolabel criteria exist, or the operator of the activity has not used them, the economic activity manufacturing electrical and electronic equipment complies with all of the following criteria applicable to a relevant product:<ol style="list-style-type: none">A. Design for long lifetime, including:<ol style="list-style-type: none">i. Where the product contains software that requires updates, all versions of software components, software support and software/firmware, including updates, are made available to users for the lifetime of an item as defined under Directive 2009/125/EC and implementing acts adopted under that Directive. Where the availability of software updates is not regulated, the availability is at least eight years. Functionality

and lifetime of the product are not reduced through software updates or lack of software updates.

ii. Products incorporating portable batteries ensure that those batteries are readily removable and replaceable by the end-user at any time during the lifetime of the product, without requiring the use of specialised tools (unless the tools are provided free of charge with the product), proprietary tools, thermal energy, or solvents to disassemble, except when batteries are designed in such way to make battery removable and replaceable only by independent professionals in the following case:

- a. appliances specifically designed to operate primarily in an environment that is regularly subject to splashing water, water streams or water immersion and that are intended to be washable or rinseable and where it is required to ensure the safety of the user and the appliance;
- b. professional medical imaging and radiotherapy devices, as defined in Article 2(1) of Regulation (EU) 2017/745 of the European Parliament and of the Council, and in-vitro diagnostic medical devices, as defined in Article 2(2) of Regulation (EU) 2017/746 of the European Parliament and of the Council;
- c. where continuity of power supply is necessary and a permanent connection between the product and the respective portable battery is required to ensure the safety of the user and of the appliance or, for products that collect and supply data as their main function, for data integrity reasons.

iii. Software is not used in order to negatively affect the circularity of the product, including replacement of a portable battery, and correct battery replacement does not degrade the functioning of the product.

B. Design for repair and guarantee, including:

i. Where a product specific repair scoring systems is established in accordance with the Union Law, the operator of the activity ensures that products have the highest populated reparability class

ii. The operator of the activity provides access to information to professional repairers throughout the lifetime of the product. The information includes the following elements, where applicable:

- a. the unequivocal appliance identification;
- b. a disassembly map or exploded view;
- c. list of necessary repair and test equipment;
- d. technical details of the components and diagnosis information, such as minimum and maximum theoretical values for measurements;
- e. wiring and connection diagrams;
- f. diagnostic fault and error codes, including manufacturer-specific codes;
- g. data records of reported failure incidents stored on the product;
- h. technical manual of instructions for repair of the product, including simple electronic board diagrams, that includes marking of the individual steps;
- i. instructions for software and firmware, including reset software;
- j. information on how to access data records of reported failure incidents stored on the device, where applicable, with the exception of personal identifiable information such as related to user behaviour and location information.

iii. Key spare parts, whether new or used, such as motors, batteries, circuit boards and any part or component essential to the good functioning of the product, are available to professional repairers and end-users, after placing the last unit of the model on the market, for one additional year compared to the requirements on the availability of spare parts under Directive 2009/125/EC and implementing acts adopted under that Directive. Where the availability of spare parts for the relevant products is not regulated, key spare parts are available for at least eight years after placing the last unit of the model on the market.

iv. Where there are no significant health and safety risks presented by the product repair, the operator of the activity provides clear disassembly and repair instructions, including through hard or soft copy or a video, and make them publicly available for the lifetime of the product, to enable a non-destructive disassembly of products for the purpose of replacing key components or parts for upgrades or repairs. Where significant safety concerns connected to the repair of the product exist, the operator

ensures access to independent certified professional repairers. The operator's website indicates the process for professional repairers to register for access to relevant information or share the information on a publicly available free access website.

- v. For electrical and electronic equipment designed for consumer use, the operator of the activity provides commercial guarantee for minimum of 3 years at no extra cost.

C. Design for reuse and remanufacturing, including:

- i. Where the products are able to store data, and the data is encrypted, a software function that resets the device to its factory settings and erases by default the encryption key is required.

- ii. Where products can transfer stored data, the stored data can be easily and fully transferred to another product, securing data privacy and confidentiality of the data.

D. Design for dismantling, including:

- i. Information on product's end of life management is publicly available for the lifetime of the product. For each type of new product placed for the first time on the Union market, the operator of the activity shares, free of charge, relevant information with centres which prepare for re-use and treatment and recycling facilities through Information for Recyclers Platform or through another relevant channel. Dismantling information includes the sequence of dismantling steps, tools or technologies needed to access the targeted component. includes an indication of the critical raw materials typically contained in the components, information on the location of those components, and on the steps required for their separate removal.

- ii. The activity provides tracking information on substances identified as substance of very high concern (SVHC) and for substances meeting the criteria for substance of very high concern (SVHC)

E. Design for recyclability: The economic activity manufactures products with demonstrated superior recyclability. Assessment of recyclability relies on EN 45555:2019 or on any product-specific EN standard relying on EN 45555:2019. The economic activity complies with the following requirements:

- i. single polymer or recyclable polymer blends are used;

- ii. plastic enclosures do not contain moulded-in or glue-on metal;

- iii. materials which cannot be recycled together are easy to access and have the ability to be separated;

- iv. improving recyclability does not harm the durability of the system itself;

- v. parts of the product containing substances, mixtures and components that are to be removed during depollution are easy to identify, such as through marking for sorting provided by the manufacturer, and visible on the product;

- vi. printed circuit boards, hard disc drives (HDDs), electric motors, permanent magnets, batteries, fluorescent powders, or any other components identified in Union legislation to be of high critical raw materials recovery potential are easy to access and to remove from the product;

- vii. parts that reduce the recyclability according to the reference scenario for the end-of-life treatment of products, such as plastic using certain fillers or certain flame retardants, are easy to access and remove;

- viii. joining, fastening or sealing techniques do not prevent the safe and readily achievable removal of the components specified in Directive 2012/19/EU or in Regulation (EU) 2023/1542 of the European Parliament and of the Council on batteries and waste batteries, where present.

F. Proactive substitution of hazardous substances, including:

- i. The economic activity manufactures products which demonstrate proactive substitution of hazardous substances.

- ii. The product does not contain substances of very high concern included in Annex XIV to Regulation 1907/2006/EC. Exemptions to Restrictions of Hazardous Substances are limited to the following cases: lead in high melting temperature type solders covered by the exemption entry 7(a) in Annex III to Directive 2011/65/EU; electrical and electronic components containing lead in a glass or ceramic covered by the exemption entries under 7(c) in Annex III to Directive 2011/65/EU.

	<ul style="list-style-type: none"> iii. Hazardous substances (Polymer stabilisers, colourants and contaminant, Polymer stabilisers, colourants and contaminant, Biocidal products, Glass fining agents and Chlorine based plastics) are not introduced to or formed in the specified sub-assemblies and component parts at or above the specified concentration limit. iv. The products do not contain halogen beyond the limits which can be detected in line with the measurement specified in existing standards for all its components: cables (EN IEC 60754-3), plastic parts (EN50642), electronic components (EN IEC 61249-2-21 or JS709C), consumables (EN IEC 61249-2-21 and IPC J-STD-004B). v. The products do not contain fluor gas. vi. Use of Tetrabromobisphenol A (TBBPA) is allowed as reactive component for Printed Circuit Boards only.
	<p>G. Information to customers, including:</p> <ul style="list-style-type: none"> i. The operator of the activity provides information to customers regarding options to use the product considering the environmental benefits, in particular the lifetime extension of the products associated with the different modes of the product. ii. The operator of the activity provides information to customers regarding the buy-back, sell-back and take-back options for the product, information on separate collection and collection points for waste electrical and electronic equipment (WEEE), as well as information on re-use options. For portable batteries, information is provided on separate collection and collection points for waste batteries. iii. For electrical and electronic equipment, the operator of the activity appropriately marks the product with the symbol indicating separate collection for waste electrical and electronic equipment, and provides the consumer with relevant information on costs of collection, treatment and disposal of the product in an environmentally sound way.
	<p>H. Producer responsibility, including:</p> <ul style="list-style-type: none"> i. The operator of the activity, when placing electrical and electronic equipment on the market of the Member States, establishes an individual extended producer responsibility scheme or participates in collective extended producer responsibility schemes in all the Member States in which the product is placed on the market. The financial contributions to the collective schemes are based on eco modulation and cover the costs of separate collection and treatment of WEEE. ii. For portable batteries, the producer establishes waste portable battery take-back and collection systems, which include collection points, in all Member States in which the product is placed on the market.

Santander-specific

Not applicable

A.8.36. Terminology definition

Term	Definition
High biodiversity value	<p>Land with high biodiversity value encompasses land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:</p> <ol style="list-style-type: none"> 1. Primary forest and other wooded land that show no clear signs of human activity and have undisturbed ecological processes 2. Highly biodiverse forest and other wooded land which is species-rich and not degraded, or has been identified as being highly biodiverse by the relevant competent authority 3. Areas designated: <ol style="list-style-type: none"> A. By law or by the relevant competent authority for nature protection purposes; or B. For the protection of rare, threatened or endangered ecosystems or species recognized by international agreements or included in lists drawn up by intergovernmental organizations or the International Union for the Conservation of Nature 4. Highly biodiverse grassland spanning more than one hectare, either: <ol style="list-style-type: none"> A. Natural grassland that would remain as such without human intervention and maintains its natural species composition and ecological characteristics B. Non-natural, namely grassland that would cease to be grassland in the absence of human intervention and that is species-rich and not degraded and has been identified as being highly biodiverse by the relevant competent authority <p>Accepted certifications for land with high biodiversity value:</p> <ul style="list-style-type: none"> • Red List of Ecosystems (IUCN)
Forest Biomass	<p>The country in which forest biomass was harvested has national or sub-national laws applicable in the area of harvest as well as monitoring and enforcement systems in place ensuring:</p> <ol style="list-style-type: none"> 1. The legality of harvesting operations; 2. Forest regeneration of harvested areas; 3. That areas designated by international or national law or by the relevant competent authority for nature protection purposes, including in wetlands and peatlands, are protected; 4. That harvesting is carried out considering maintenance of soil quality and biodiversity with the aim of minimizing negative impacts; and 5. That harvesting maintains or improves the long-term production capacity of the forest; <ol style="list-style-type: none"> A. When evidence referred to in point (a) of this paragraph is not available, the biofuels, bioliquids and biomass fuels produced from forest biomass shall be taken into account for the purposes referred to in points (a), (b) and (c) of the first subparagraph of paragraph 1 if management systems are in place at forest sourcing area level ensuring: 6. The legality of harvesting operations; 7. Forest regeneration of harvested areas; 8. That areas designated by international or national law or by the relevant competent authority for nature protection purposes, including in wetlands and peatlands, are protected unless evidence is provided that the harvesting of that raw material does not interfere with those nature protection purposes; (iv) that harvesting is carried out considering the maintenance of soil quality and biodiversity with the aim of minimizing negative impacts; and 9. That harvesting maintains or improves the long-term production capacity of the forest <p>Accepted certifications for land with sustainable production:</p> <ul style="list-style-type: none"> • FSC®
Heavy-duty vehicles	<p>Defines reference CO₂ emissions of vehicles in each sub-group to which heavy-duty vehicle belongs (below thresholds attached for reference). Cabin types include All, Day Cab and Sleeper Cabin, engine power include < 170kW, <265kW, and greater than 265kW.</p> <p>Sub-group // g/tkm</p> <p>4-UD // 307,23</p> <p>4-RD // 197,16</p> <p>4-LH // 105,96</p> <p>5-RD // 84,00</p> <p>5-LH // 56,60</p> <p>9-RD // 110,98</p>

Term	Definition
	<p>9-LH // 65,16 10-RD // 83,26 10-LH // 58,26</p> <p>Heavy-duty-vehicle description</p> <p>4-UD: rigid lorries with axle configuration 4x2 and technically permissible maximum laden mass>16t, All cabin type, <170 kW engine power</p> <p>4-RD: rigid lorries with axle configuration 4x2 and technically permissible maximum laden mass>16t, day cab & >=170 kW; sleeper cab between 170kW and 265 kW</p> <p>4-LH: rigid lorries with axle configuration 4x2 and technically permissible maximum laden mass>16t, sleeper cab between >= 265 kW</p> <p>9-RD: rigid lorries with axle configuration 6x2, day cab</p> <p>9-LH: rigid lorries with axle configuration 6x2, sleeper cab</p> <p>5-RD: tractors with axle configuration 4x2 and technically permissible maximum laden mass>16t, day cap all; sleep cab <265 kW</p> <p>5-LH: tractors with axle configuration 4x2 and technically permissible maximum laden mass>16t, sleeper cab >= 265 kW</p> <p>10-RD: tractors with axle configuration 6x2, day cab</p> <p>10-LH: tractors with axle configuration 6x2, sleeper cab</p> <p>Source</p>
Rolling Stock	Structural body, command and control system for all train equipment, electric current collection devices, traction and energy conversion units, on-board equipment for electricity consumption measuring and charging, braking, coupling and running gear (bogies, axles, etc.) and suspension, doors, man/machine interfaces (driver, on-board staff and passengers, including accessibility features for persons with disabilities and persons with reduced mobility), passive or active safety devices and requisites for the health of passengers and on-board staff
Advanced software and analytics to maximize efficiency and automation	<p>Where not included in Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation advanced software and analytics to maximize efficiency and automation of electricity networks or integration of decentralized energy resources, at the level of the electricity grid or an industry, that include:</p> <ol style="list-style-type: none"> 1. Advanced control rooms, automation of electrical substations, voltage control capabilities; 2. Operation software enabling operators to simulate the operation of grids for the purpose of ensuring grid stability, managing Distributed Energy Resources or improving grid performance. <p>The software supports dynamic grid characteristics required for the transition towards renewable energy. It is capable of processing data from near-real time grid measurements to observe how the power transmission, distribution and consumption really occur, and use this information to improve simulation studies and operation activities, including the avoidance of outages, black-outs, and wastes;</p> <p>Where not included in Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation, software supporting the design and planning of new grids or grid upgrades.</p> <p>The software supports dynamic grid characteristics required for the transition towards renewable energy, including volatile power generation at distribution level ("prosumers"), changing of power flow directions, and the use of grid storage units;(v) meteorological sensors for forecasting renewable electricity production; (vi)stand-alone or embedded connectable controllers and relays that enable an efficient use of electrical sources and loads; (vii) load-shedding and load-shifting equipment for load management and source-switching equipment, where the equipment is compliant with EN IEC 62962:2019 Particular requirements for load-shedding equipment;</p>
Variable speed drive solutions	<p>Variable speed drives and other variable speed drive solutions, excluding soft starters, that enable energy efficiency in electrical motor applications, where the equipment is compliant with EN 61800-9-1: Adjustable speed electrical power drive systems - Part 9-1: Eco-design for power drive systems, motor starters, power electronics and their driven applications - General requirements for setting energy efficiency standards for power driven equipment using the extended product approach (EPA) and semi analytic model (SAM) and EN 61800-9-2: Adjustable speed electrical power drive systems - Part 9-2: Eco-design for power drive systems, motor starters, power electronics and their driven applications - Energy efficiency indicators for power drive systems and motor starters; (vii) low-voltage electrical motors with an energy efficiency class (according to EN 60034-30-1: Rotating electrical machines - Part 30-1: Efficiency classes of line operated AC motors (IE code)) exceeding the requirements set by Commission Regulation 2019/1781 of the European Parliament and of the Council*9, specifically:</p>

Term	Definition
	<ol style="list-style-type: none"> 1. Single-phase motors with a rated output of 0,12 kW or higher and an efficiency class of IE3 or higher; 2. Ex be increased safety motors with a rated output between 0,12 kW and 1000 kW, with 2, 4, 6 or 8 poles and an efficiency class IE3 or higher; 3. 3-phase motors with a rated output between 0,75 kW and 1000 kW, with 2, 4, 6 or 8 poles, which are not Ex be increased safety motors and have <ol style="list-style-type: none"> A. An efficiency class of IE5 for motors with 2,4 or 6 poles and a rated power between 75 kW and 200 kW, B. An efficiency class of IE 4 or higher for all other motors; 4. 3-phase motors with a rated output between 0,12 kW and 0,75 kW, with 2, 4, 6 or 8 poles, which are not Ex be increased safety motors and have an efficiency class of IE3 or higher;(e) 3-phase VSD only motors with a rated output between 0,75 kW and 1000 kW with 2, 4, 6 or 8 poles, classified according to the EN IEC TS 60034-30-2 and an efficiency class IE5; • Medium- and high-voltage motors with a rated power above 1000 kW and an energy efficiency class IE 4 or higher according to draft standard IEC 60034-30-3
Replacement ratio	The share of Taxonomy compliance of eligible aircraft shall be limited by the replacement ratio. The replacement ratio shall be calculated based on the proportion of aircraft permanently withdrawn from use to aircraft delivered at the global level averaged over the preceding 10 years as evidenced by verified data available from independent data providers. In the absence of a certificate on the metric values of CO2 emissions confirming the required margin to the New Type limit of the ICAO standard, the aircraft manufacturer shall deliver a declaration that the aircraft meets the required level of performance and margins of improvement with the condition that the aircraft is certified by January 2021.
Recycled material	<ul style="list-style-type: none"> • Where the packaging is made from paper or cardboard, the remaining primary raw material are certified by the Forest Stewardship Council (FSC), the Program for the Endorsement of Forest Certification Schemes (PEFC International), or equivalent recognized schemes. Coatings with plastics or metals are not used. For plastic packaging only monomaterials without coatings are used, halogen-containing polymers are not used. A declaration of compliance is provided specifying the material composition of the packaging and the shares of recycled and primary raw material;

ACCOMMODATION ACTIVITIES

A.9. Accommodation Activities

This chapter aims to detail the various standards and conditions which are to be met for an investment related to the accommodation activities sector to be deemed sustainable. The provided definitions can be divided into EU taxonomy and Santander-specific. With Santander-specific, a reference is made to the internal Santander standard for climate and sustainability.

All the activities mentioned in this chapter fall under the accommodation activities sector, as defined by the European Commission. Furthermore, all criteria have been validated by experts to ensure conformity with regulation.

The tables in this appendix capture the substantial contribution technical screening criteria (for EU Taxonomy consistent criteria only) for the Energy sector.

Activity	Environmental classification	Mitigation	Adaptation	Water	Circular economy	Pollution	Biodiversity
Hotels, holiday, camping grounds and similar accommodation	EU Taxonomy Santander-specific	Enabling Enabling					Own Performance

A.9.1. Hotels, holiday, camping grounds and similar accommodation

Activity description

The provision of short-term tourism accommodation with or without associated services, including cleaning, food and beverage services, parking, laundry services, swimming pools and exercise rooms, recreational facilities as well as conference and convention facilities.

Eligibility	Criteria
EU Taxonomy consistent	<ol style="list-style-type: none">1. The activity contributes to conservation or restoration measures, in line with the following criteria:<ol style="list-style-type: none">A. Complies with the technical screening criteria for activity “Conservation, including restoration, of habitats, ecosystems and species” of the Environmental protection and restoration sector, in clearly identified areas within or in the proximity of the same tourism destination as the accommodationB. Any type of area with high nature conservation value covered by a management plan or an equivalent instrument such as a restoration plan is includedC. The activities contributing to conservation or restoration measures are defined in a specific contractual agreement or equivalent instrument (including clear time-bound targets for contribution to the conservation or restoration area) between the operator of the activity and the organisation in charge of the conservation or restoration of the area; The agreement covers a minimum of five years and is regularly reviewed, in any case at least every five years.D. The contribution to conservation or restoration measures can be financial or in kind and may take one of the following forms:<ol style="list-style-type: none">i. Offer or organisation of visits to a conservation area where entrance or permit or user fees are appliedii. Operation of concessions and leases for services directly related to a conservation area (issued by the organisation in charge of the management of the area)iii. Operation of tourist accommodation establishments within a conservation area but not subject to concession (in agreement with the organisation in charge of the management of the area);iv. Offer or management of volunteers for activities directly related to conservation (in accordance with the conservation objectives of the conservation area)v. Offer or management of educational opportunities directly related to conservation and appropriate behaviour (in accordance with the conservation objectives of the conservation area)vi. Purchase of products of any kind, including food, beverages, handcrafts, for reselling or for direct use, derived from sustainable practices in a conservation area, in agreement with the organisation in charge of the management of the areavii. Purchase of merchandise from a conservation area for re-selling (or other commercial arrangements that guarantees that the revenue from selling of merchandise accrues to the conservation area)viii. Payment of copyrights, including images or names, directly to the organisation in charge of the management of a conservation areaix. Collection of tourists' voluntary donations to be transferred to a dedicated fund or account set up by the organisation in charge of the management of a conservation area on a regular basisE. The percentage (%) contribution defined in the contractual agreement is at least equivalent to²⁰²:<ol style="list-style-type: none">i. 1% of the annual turnover of an individual tourist accommodation establishment, where the contractual agreement includes only one establishment

²⁰² Mandatory financial contributions applied to the activity in the context of the national or local regulatory framework, including eco-taxes or tariffs, are not considered as a contribution to the conservation or restoration activity.

Eligibility	Criteria
<ul style="list-style-type: none"> ii. 0.7% of the annual turnover of an individual tourist accommodation establishment, where the contractual agreement or equivalent is collective and includes a group of two to ten establishments iii. 0.5% of the annual turnover of an individual tourist accommodation establishment, where the contractual agreement or equivalent is collective and includes a group of over ten establishments <p>2. The activity has developed and implemented an action plan specific to the tourism service or offer provided, including all of the following measures relevant for the conservation or restoration objectives of the area:</p> <ul style="list-style-type: none"> A. Clear set of objectives and activities aimed at avoiding or minimising direct negative impacts on biodiversity, including an analysis of the carrying capacity or limit of acceptable change of the area, including the following elements: <ul style="list-style-type: none"> i. For visits to natural sites: avoiding direct damage on ecosystems or habitats through management of tourist flows and movements ii. For wildlife interaction: <ul style="list-style-type: none"> a. Avoiding direct harm and disturbance through detrimental actions such as animal feeding, destruction or damaging eggs and nests, destruction or removal of plants or corals b. Avoiding indirect harm and disturbance on species from tourists' local movements, such as littering, noise, plastic, chemical or light pollution c. Prevention and avoidance of introduction of invasive alien species iii. For wildlife harvesting and trade: protected wildlife species are not harvested, consumed, sold B. Where applicable, a description of partnership agreements with conservation management entities, local NGOs or communities to contribute to the conservation or restoration of the area to which it intends to contribute C. A biodiversity information and awareness plan linked to the specific impacts arising from tourism activities D. A clear framework for the continuous monitoring and measuring of the effectiveness of the contribution, including an adaptive approach allowing for the identification of corrective actions, where necessary <p>3. The organization has established a sustainable supply chain and environmental management system, complying with all of the following:</p> <ul style="list-style-type: none"> A. The establishment has a fair share of products in line with market best practices (such as food and beverages, wood, including furniture, paper, board and plastic products certified according to environmental standards) and commits to a continuous improvement of the share of the products certified by an independent third party. Eligible certifications include FSC, FAO B. For accommodation establishments with over 50 employees, the activity complies with one of the following criteria: <ul style="list-style-type: none"> i. The establishment has an environmental management system (EMS) requiring third party certification, such as the EU Eco-Management and Audit Scheme (EMAS), ISO 14001:201526 or equivalent, aligned with best environmental management practice and benchmark performances such as the EMAS Reference Document for the Tourism Sector or equivalent national or international standard ii. The establishment was awarded with an EU Ecolabel for tourist accommodation or an equivalent EN ISO 14024:201828 type I Ecolabel or an equivalent voluntary label meeting equivalent requirements 	

Eligibility	Criteria
	<p>4. An Environmental Impact Assessment (EIA) or a screening has been completed in accordance to national law or international standards (e.g. IFC Performance Standard 1: Assessment and Management of Environmental and Social Risks) to ensure that there no significant adverse effects in protected areas (e.g. UNESCO World Heritage sites, Key Biodiversity Areas, Natura 2000) and protected species; the introduction of invasive alien species is prevented and complies with EU regulation²⁰³</p> <p>5. Recreational hunting and fishing activities are allowed only where they are explicitly included as part of the conservation or management plan of the conservation area</p> <p>6. At the beginning of the activity and at least every five years thereafter, the compliance with the technical screening criteria is controlled by the relevant national competent authorities or by an independent third-party certifier</p>
Santander-specific	EarthCheck certified (gold or above)

²⁰³ 1. Invasive alien species of Union concern shall not be intentionally: (a) brought into the territory of the Union, including transit under customs supervision; (b) kept, including in contained holding; (c) bred, including in contained holding; (d) transported to, from or within the Union, except for the transportation of species to facilities in the context of eradication; (e) placed on the market; (f) used or exchanged; (g) permitted to reproduce, grown or cultivated, including in contained holding; or (h) released into the environment.

INFORMATION AND COMMUNICATION

A.10. Information and Communication

This chapter aims to detail the various standards and conditions which are to be met for an investment related to the information and communication sector is deemed green / sustainable. The provided definitions can be divided into EU taxonomy and Santander-specific. With Santander-specific, a reference is made to the internal Santander standard for climate and sustainability.

All the activities mentioned in this chapter fall under the information and communication sector, as defined by the European Commission. Furthermore, all criteria have been validated by experts to ensure conformity with regulation.

Shown below is a table of the substantial contribution technical screening criteria (for EU Taxonomy consistent criteria only), for all the activities considered in this chapter.

Activity	Environmental classification	Mitigation	Adaptation	Water	Circular economy	Pollution	Biodiversity
Data processing, hosting and related activities	EU Taxonomy	Transition	Own Performance				
	Santander-specific	Transition	Own Performance				
Data-driven solutions for GHG emissions reductions	EU Taxonomy	Enabling					
	Santander-specific	Enabling					
Software enabling physical climate risk management and adaptation	EU Taxonomy		Enabling				
	Santander-specific		Enabling				
Provision of IT/OT data-driven solutions for leakage reduction	EU Taxonomy			Enabling			
	Santander-specific			Enabling			
Provision of IT/OT data-driven solutions	EU Taxonomy				Enabling		
	Santander-specific				Enabling		
Close to market research, development and innovation	EU Taxonomy	Enabling	Enabling				
	Santander-specific	Enabling	Enabling				

A.10.1. Data processing, hosting and related activities

Activity description

Storage, manipulation, management, movement, control, display, switching, interchange, transmission or processing of data through data centers, including edge computing.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with all of the following criteria:</p> <ol style="list-style-type: none">1. The activity (e.g., data centers for data processing, hosting or related activities) has implemented all relevant practices listed as “expected practices” in the most recent version of the European Code of Conduct on Data Centre Energy Efficiency or in CEN-CENELEC document CLC TR50600-99-1, being verified by a third-party every 3 years2. Where an expected practice is not considered relevant, an explanation of why the expected practice is not applicable or practical is provided. Other alternative best practices apart from the described in point 1 may be identified if they result in similar energy savings3. The global warming potential (GWP) of refrigerants used in the data center cooling system does not exceed 675
Santander-specific	<p>The activity complies with the following criteria:</p> <ul style="list-style-type: none">• Data centers for data processing, hosting and related activities if it complies with all relevant practices listed as “expected practices” of the European Code of Conduct for Data Centre Energy Efficiency and/or power usage effectiveness (PUE) is below 1.5

A.10.2. Data-driven solutions for GHG emissions reductions

Activity description

Development or use of ICT solutions that are aimed at collecting, transmitting, storing data and at its modelling and use where those activities are predominantly aimed at the provision of data and analytics enabling GHG emission reductions.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with all of the following criteria:</p> <ol style="list-style-type: none">1. Solutions (including hardware and software) for data collection, transfer, storage, modelling and use exclusively to supply data and analysis for decision-making on GHG reduction (e.g., systems for monitoring GHG emissions, climate and early warning systems, etc.). Solutions may include decentralized technologies (DLT), Internet of Things, 5G upgrade and artificial intelligence.2. Where an alternative solution is already available, the ICT solution demonstrates substantial GHG emissions savings, calculated using ETSI ES 203 199, ISO 14067:2018 or ISO 14064-2:2019.3. GHG emission reductions are verified by a third party in a transparent assessment
Santander-specific	<p>The activity complies with the following criteria:</p> <ul style="list-style-type: none">• Solutions (including hardware and software) for data collection, transfer, storage, modelling and use exclusively to supply data and analysis for decision-making on GHG reduction (e.g., systems for monitoring GHG emissions, climate, and early warning systems, etc.). Solutions may include decentralized technologies (DLT), Internet of Things, 5G upgrade and artificial intelligence.

A.10.3. Software enabling physical climate risk management and adaptation

Activity description

Software development or programming activities aimed at the provision of software for (a) forecasting, projection, and monitoring of climate risks, (b) early warning systems for climate risks and (c) climate risk management.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with all of the following criteria:</p> <ol style="list-style-type: none">1. The activity removes information, technological or capacity barriers to adaptation.2. The activity uses a methodology and data that complies with all the below:<ol style="list-style-type: none">A. Are based on best practice and available guidance and take into account the state-of-the-art science for vulnerability, risk analysis and related methodologiesB. Are consistent with standards and guidelines on climate adaptation and risk management and disaster risk reduction, including for example EN ISO 14090, as well as EN ISO 140913. The piece of software developed complies with all of the below:<ol style="list-style-type: none">A. Is targeted at enabling the management of physical climate risks (e.g., flooding and other extreme weather events, an entity seeking finance to build flood mitigation infrastructure should provide its plan to manage the project's own E&S impacts during construction, operation and end-of-life)B. Does not adversely affect the adaptation efforts or the level of resilience to physical climate risksC. Favors nature-based solutions to the extent possibleD. Is consistent with local, sectoral, regional or national adaptation strategies and plansE. Is reported and monitored against pre-defined indicators
Santander-specific	<p>The activity complies with one of the following criteria:</p> <ol style="list-style-type: none">1. The activity removes information, technological or capacity barriers to adaptation,2. The piece of software developed:<ol style="list-style-type: none">A. Is targeted at enabling the management of physical climate risks (e.g., flooding and other extreme weather events, an entity seeking finance to build flood mitigation infrastructure should provide its plan to manage the project's own E&S impacts during construction, operation and end-of-life)B. Does not adversely affect the adaptation efforts or the level of resilience to physical climate risksC. Nature-based solutions to the extent possible;D. Is consistent with local, sectoral, regional or national adaptation strategies and plans;E. Is reported and monitored against pre-defined indicators

A.10.4. Provision of IT/OT data-driven solutions for leakage reduction

Activity description

The activity manufactures, develops, installs, deploys, maintains, repairs or provides professional services, including technical consulting for design or monitoring, for information technology (IT) or operational technology (OT) data driven solutions to control, manage, reduce and mitigate leakage in water supply systems (WSSs).

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with all of the following criteria:</p> <ol style="list-style-type: none">1. The economic activity manufactures, develops, installs, deploys, maintains, repairs or provides professional services, including technical consulting for design or monitoring, to one or more of the following IT/OT data-driven solutions to control, manage, reduce and mitigate leakage in the new or existing water supply systems:<ol style="list-style-type: none">A. Monitoring systems including holistic IT/OT suites/tools, or add-ons/extensions to such tools that provide identification, tracking and tracing water leakageB. IT/OT solutions, or add-ons/extensions to such tools, that provide controlling, managing and mitigating water leakageC. IT/OT solutions, or add-ons/extensions to such tools, that ensure interoperability of systems in district metered areas when new monitoring systems or IT/OT solutions are installed2. Environmental degradation risks related to preserving water quality and avoiding water stress are identified and addressed to achieve good water status and good ecological potential in line with a water use and protection management plan, developed thereunder for the potentially affected water body or bodies, in consultation with relevant stakeholders [LTO]
Santander-specific	For non-EU countries, same as EU taxonomy consistent criteria excepting compliance with LTO

A.10.5. Provision of IT/OT data-driven solutions

Activity description

The activity manufactures, develops, installs, deploys, maintains, repairs or provides professional services, including technical consulting for design or monitoring of (a) software and information technology (IT) or operational technology (OT) systems, (b) tracking and tracing software and IT or OT systems, (c) lifecycle assessment software, (d) design and engineering software supporting eco-design, (e) supplier management software supporting green procurement, (f) lifecycle performance management software.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with the following criteria:</p> <p>1. The economic activity manufactures, develops, installs, deploys, maintains, repairs or provides professional services, including technical consulting for design or monitoring, to one or more of the following IT/OT data-driven solutions that provide the capabilities listed below. Such IT/OT data-driven solutions include sensors (such as power, temperature, vibration, video, sound, viscosity), data collection and communication equipment, data repository (edge or cloud), and software. Where these capabilities are part of a broader software or IT/OT offering, only specific software add-ons implementing these capabilities qualify.</p> <p>In addition, the activity complies with <u>one</u> of the following criteria:</p> <p>2. For remote monitoring and predictive maintenance systems, at least two of the following capabilities are met:</p> <ul style="list-style-type: none">A. Alerting the user to abnormal sensor values, and assessing the status of the product, equipment, or infrastructure, detecting wear and tear or electrical issues, and drawing conclusions about the exact nature of abnormal operating conditions by advanced analytical methodsB. Predicting the expected remaining lifetime of a product, equipment, or infrastructure, and recommending measures to extend the remaining lifetimeC. Predicting an upcoming product, equipment or infrastructure failure and recommending measures to prevent such failureD. Providing recommendations about the highest value next use cycle, such as reuse, recovering components through parts harvesting for remanufacture, or recycling, taking into consideration a combination of factors regarding the product's condition. IT/OT systems aimed at least one of the below:<ul style="list-style-type: none">i. Monitoring for the replacement of consumables, such as printer ink,ii. Remote monitoring and remote maintenance of power generation plants that are more greenhouse gas intensive than 100 gCO₂e/kWh, oriii. Monitoring and remote management of any type of fossil fuel engine do not qualify. <p>3. For tracking and tracing software and IT/OT systems, at least one of the following capabilities is met:</p> <ul style="list-style-type: none">A. Providing identification, tracking and tracing of materials, products and assets through value chains in order to make accessible structured data (such as material content, substances, environmental information) required for lifecycle assessments or material declarations according to relevant standards: ISO 14067:2018/152 or ISO 14040:2006/153, and sharing of such data with value chain partners, consumers, and other economic actors in compliance with relevant standards regarding data modelling, interoperability, data privacy and data securityB. Provisioning and sharing of documents and data directly supporting the repair and maintenance of products and equipment (e.g., repair instruction, test equipment, wiring and connection diagrams, diagnostic fault and error codes, disassembly instructions)

Eligibility	Criteria
<p>C. Supporting reverse logistics, including the take-back of products for remanufacturing, refurbishment, or recycling, by managing steps and transactions in the take-back process, (e.g., pick-up order placement, tracking of sales transaction data, decomposition of product into materials to be re-injected into circular material flows, and by optimizing decisions to prevent downcycling and maximize resource recovery). Digital product passports meeting the minimum requirements in EU are not considered as taxonomy aligned</p> <p>D. Supporting optimization and intensification of the use of products, through circular business models such as providing products as a service or peer-to-peer sharing</p> <p>4. For lifecycle assessment software, at least one of the following capabilities is met:</p> <ul style="list-style-type: none"> A. Supporting the life cycle assessment of products, equipment or infrastructure with software-implemented methods and algorithms according to relevant standards as ISO 14067:2018154 or ISO 14040:2006155 B. Providing data required for lifecycle analysis, such as standard carbon emission values and other environmental impacts for frequently used products and materials or production steps C. Providing recommendations for improving the design of a product, equipment, or infrastructure so as to minimize their material and carbon footprint <p>5. For design and engineering software, at least one of the following capabilities is met:</p> <ul style="list-style-type: none"> A. Supporting users to formulate, document and manage product-specific circularity and other environmental design goals and requirements (e.g., design-for-remanufacturability, design-for-serviceability, minimal environmental impact from using or operating the product, minimal waste during production or construction and tailored production to eliminate over-specification and reduce material inputs) B. Supporting users to explore product designs for the purpose of assessing and optimizing product designs against specified circular or other environmental C. Objectives, or finding the best trade-off between conflicting design goals, such as robustness vs. material use, greener material vs. costing or installing schedule or cost of downstream reuse and recycling systems D. Validating a design through analysis and simulation against specified circularity and other environmental design goals and requirements E. Supporting the computer-aided product design process – including mechanical, electrical, electronic or recipe design – with data and information about the impact of design and construction decisions on circularity and environmental performance F. Supporting the selection of materials and components with a low environmental impact through the provision of data about market-available materials and components and their cost <p>6. For supplier management software, at least one of the following capabilities is met:</p> <ul style="list-style-type: none"> A. Providing the user with information about suppliers and supplies of circular products, immediate products, components and materials that are designed for closed loop systems, reuse, remanufacturing or repurposing. The information provided exceeds the minimum information requirements in existing EU B. Supporting the management and tracking suppliers' compliance with standards and certifications related to the provision of such materials, products, and components C. Supporting the exchange with suppliers of data required to verify the environmental performance of supplied materials, products, and components D. Supporting the trading and matchmaking between suppliers and purchasers of circular, eco-designed or otherwise eco-friendly products, materials, and components E. Supporting reverse logistics <p>7. For lifecycle performance management software, at least one of the following capabilities is met:</p> <ul style="list-style-type: none"> A. Supporting the monitoring and assessment of the circularity performance of a product, equipment or infrastructure during its lifecycle over time B. Comparing circularity performance against original circularity design goals, analyzing deviations and their root causes 	

Eligibility	Criteria
	<p>C. Supporting the planning and documentation of measures required to prolong the useful life of the product, equipment or infrastructure, such as maintenance, retrofit, or other services</p> <p>D. Supporting the impact assessment of such measures on circularity performance</p> <p>E. Providing the user with data required to take decisions on the future use of the product, equipment, or infrastructure, such as retrofit, change of use, decommissioning and recycling</p> <p>8. All IT/OT data-driven solutions should meet the following criteria [LTO]:</p> <ul style="list-style-type: none"> A. Techniques are adopted that support the reuse and use of secondary raw materials and reused components, and the solutions are designed for high durability, recyclability, easy disassembly, adaptability and upgradability B. Measures are in place to manage and recycle waste at the end-of life, including through decommissioning contractual agreements with recycling service providers, reflection in financial projections or official project documentation. These measures ensure that components and materials are segregated and treated to maximize recycling and reuse in accordance with the waste hierarchy, EU waste regulation principles and applicable regulations, in particular through the reuse and recycling of batteries and electronics and the critical raw materials therein. These measures also include the control and management of hazardous materials C. Preparation for re-use, recovery or recycling operations, or proper treatment, including the removal of all fluids and a selective treatment
Santander-specific	For non-EU countries, same as EU taxonomy consistent criteria excepting compliance with LTO

A.10.6. Close to market research, development and innovation

Activity description

Research, applied research and experimental development of solutions, processes, technologies, business models and other products dedicated to the reduction, avoidance or removal of GHG emissions (RD&I) for which the ability to reduce, remove or avoid GHG emissions in the target economic activities has at least been demonstrated in a relevant environment, corresponding to at least Technology Readiness Level (TRL).

Eligibility	Criteria
EU Taxonomy consistent	<p>Comply with all of the below:</p> <ol style="list-style-type: none">1. The activity researches, develops or provides innovation for technologies, products or other solutions that are dedicated to one or more economic activities for which the technical screening criteria have been set out²⁰⁴2. The results of the research, development and innovation enable one or more of those economic activities to meet the respective criteria3. The economic activity aims at bringing to market a solution that is not yet in the market and is expected to have a better performance in terms of life-cycle GHG emissions than best commercially available technologies based on public or market information, resulting in overall net GHG emissions reductions over their life cycle.4. Where the researched, developed or innovated technology, product or other solution already enables an activity or several activities below mentioned to meet the criteria specified, or where that technology, product or other solution already enables one or more economic activities considered as enabling or transitional to meet the requirements specified in points 5 and 6 respectively, the activity focuses on the development of equally low- or lower-emission technologies, or significant advantages, such as lower cost.5. Where a research activity is dedicated to one or more economic activities considered as enabling activities (e.g., generating, transmitting or storing renewable energy, improving energy efficiency, increasing clean or climate-neutral mobility, etc.), the results of the research deliver innovative technologies, processes or products that allow those enabling activities and the activities that they ultimately enable to substantially reduce their GHG emissions or substantially improve their technological and economic feasibility in order to facilitate their scaling up.6. Where a research activity is dedicated to one or more economic activities considered as transitional activities (e.g., GHG emissions correspond to the best performance in the sector, does not hamper the development of low-carbon alternatives, etc.), the technologies, products or other solutions researched enable the target activities to be carried out with substantially lower projected emissions compared to the technical screening criteria for substantial contribution to climate change mitigation set out in this activity7. Where a research activity is dedicated to one or more economic activities specified in Manufacturing activities [See Manufacturing cross references], the technologies, products or other solutions either enable the target activities to be carried out with substantially lower GHG emission, which aim at a 30% reduction compared to the relevant EU ETS benchmark or benchmarks or are dedicated to the widely accepted relevant low carbon technologies or processes in these sectors, notably electrification , in particular of heating and cooling, hydrogen as fuel or feedstock, CCS, CCU and biomass as fuel or feedstock, where biomass complies with the relevant requirements set out in energy activities [LTO]²⁰⁵8. Where the researched, developed or innovated technology, product or other solution is at TRL 6 or 7, life-cycle GHG emissions are evaluated in simplified form by the entity

²⁰⁴ Manufacture of cement, Manufacture of aluminium, Manufacture of iron and steel, Manufacture of carbon black, Manufacture of soda ash, Manufacture of chlorine, Manufacture of organic basic chemicals, Manufacture of nitric acid, Electricity generation from bioenergy, Cogeneration of heat/cool and power from bioenergy, Production of heat/cool from bioenergy

²⁰⁵ Electricity generation from bioenergy, Cogeneration of heat/cool and power from bioenergy, Production of heat/cool from bioenergy

Eligibility	Criteria
	<p>carrying out the research. The entity demonstrates one of the following, where applicable:</p> <ul style="list-style-type: none"> A. A patent not older than 10 years associated with the activity, where information on its GHG emission reduction potential has been provided B. A permit obtained from a competent authority for operating the demonstration site associated with the activity for the duration of the demonstration project, where information on its GHG emission reduction potential has been provided 9. Where the researched, developed or innovated technology, product or other solution is at TRL 8 or higher, life-cycle GHG emissions are calculated using ISO 14067:2018(325) or ISO 14064-1:2018(326), verified by an independent third party.
Santander-specific	For non-EU countries, same as EU taxonomy consistent criteria excepting compliance with LTO

A.10.7. Terminology Definitions

Term	Definition
European Code of Conduct on Data Centre Energy Efficiency	<p>To help ensure that Participants to the Code of Conduct are recognised as having committed to a useful and substantial level of energy saving effort, a subset of the Best Practices are identified in this document as being the expected minimum level of energy saving activity for Participant status. The less disruptive or intrusive of the Practices are identified as being applied to the existing data centre and IT equipment, retrospectively where necessary. It is accepted that a number of the Practices identified as expected are inappropriate or present an unnecessary burden when applied to an existing running data centre. These Practices are identified as being expected either, when new IT equipment or software is sourced and deployed, or during a retrofit of the facility. These Practices provide substantial benefits and are intended to achieve efficiency improvements through the natural churn of equipment and facilities. All expected Practices should be applied to any data centre constructed from 2011 onwards, specifically all Practices marked as "Entire data centre", "New software", "New IT equipment" and "New build or retrofit" which are within the applicants' control.</p> <p>Practices are marked in the expected column as:</p> <p>Category - Description</p> <p>Entire Data Centre - Expected to be applied to all existing IT, Mechanical and Electrical equipment within the data centre</p> <p>New Software - Expected during any new software install or upgrade</p> <p>New IT Equipment - Expected for new or replacement IT equipment</p> <p>New build or retrofit - Expected for any data center built or undergoing a significant refit of the M&E equipment from 2011 onwards</p>
Enabling activities	<p>An economic activity shall qualify as contributing substantially to climate change mitigation where that activity contributes substantially to the stabilization of greenhouse gas concentrations in the atmosphere at a level which prevents dangerous anthropogenic interference with the climate system consistent with the long-term temperature goal of the Paris Agreement through the avoidance or reduction of greenhouse gas emissions or the increase of greenhouse gas removals, including through process innovations or product innovations, by:</p> <ul style="list-style-type: none"> • Generating, transmitting, storing, distributing or using renewable energy in line with Directive (EU) 2018/2001 • Including through using innovative technology with a potential for significant future savings or through necessary • Reinforcement or extension of the grid • Improving energy efficiency, except for power generation activities as referred to in Article 19(3); • Increasing clean or climate-neutral mobility • Switching to the use of sustainably sourced renewable materials • Increasing the use of environmentally safe carbon capture and utilization (CCU) and carbon capture and storage (CCS) technologies that deliver a net reduction in greenhouse gas emissions;

Term	Definition
	<ul style="list-style-type: none">• Strengthening land carbon sinks, including through avoiding deforestation and forest degradation, restoration of forests, sustainable management and restoration of croplands, grasslands and wetlands, afforestation, and regenerative agriculture• Establishing energy infrastructure required for enabling the decarbonization of energy systems;• Producing clean and efficient fuels from renewable or carbon-neutral sources; orenabling any of the activities listed in accordance with Article 16

OTHER

A.11. Other Sectors

This chapter aims to detail the various standards and conditions which are to be met for an investment related to other sectors to be deemed sustainable. The provided definitions can be divided into EU taxonomy and Santander-specific. With Santander-specific, a reference is made to the internal Santander standard for climate and sustainability.

All the activities mentioned in this chapter fall under other sector, as defined by the European Commission. Furthermore, all criteria have been validated by experts to ensure conformity with regulation.

The tables in this appendix capture the substantial contribution technical screening criteria (for EU Taxonomy consistent criteria only) for the Energy sector.

Activity	Environmental classification	Mitigation	Adaptation	Water	Circular economy	Pollution	Biodiversity
Carbon Market	Santander-specific	Own Performance					
Non-life insurance	EU Taxonomy		Enabling				
Re-insurance	EU Taxonomy		Enabling				
Climate adaptation	EU Taxonomy		Own Performance				
	Santander-specific		Own Performance				

A.11.1. Carbon Market

Activity description

Transitional activity: Carbon markets that operate either on a National or International basis – they refer to the issuance, buying and selling of carbon credits, on a voluntary basis carbon credits/ carbon allowances in both mandatory (compliance) schemes and voluntary programmes

Eligibility	Criteria
EU Taxonomy consistent	Not Applicable
Santander-specific	<p>Comply with one of the below:</p> <ol style="list-style-type: none">1. Financing for compliance with national and international emissions trading systems.2. Financing, trading and enabling carbon credit (offsets) purchases in line with the integrity criteria defined by SCIB Markets, and verified by at least one of the following standards:<ol style="list-style-type: none">A. Verified Carbon Standard (VCS)B. Gold Standard for Global GoalsC. American Carbon Registry StandardD. Climate Action Reserve StandardE. PuroF. National crediting schemes that are overseen by a national body (such as the Spanish Climate Change Office) and considered as robust as the standards listed above <p>The activity will only be eligible if the customer has emissions reduction plans, alignment strategies and/or net-zero targets in place.</p>

A.11.2. Non-life insurance

Activity description

Provision of the following insurance services (other than life insurance): medical expense insurance; income protection insurance; workers' compensation insurance; motor vehicle liability insurance; other motor insurance; marine, aviation and transport insurance; fire and other damage to property insurance (e.g. *insurance for the construction and operation of renewable energy farms to avoid fire and other damage from climate-related risks*); assistance.

Eligibility	Criteria
EU Taxonomy consistent	<ol style="list-style-type: none">1. The activity complies with <u>all</u> of the following criteria:2. Leadership in modelling and pricing of climate risks (e.g. modelling that properly reflect climate change risks, and integrate forward-looking scenarios)3. Product design offer risk-based rewards for preventative actions (e.g. invest in adaptation measures against natural catastrophes)4. Innovative reinsurance coverage solutions that cover climate-related perils5. A significant share of loss data made available, free of charge, to one or several public authorities for the purpose of analytical research6. High level of service in post-disaster situation:
Santander-specific	Not Applicable

A.11.3. Re-insurance

Activity description

Coverage of risks stemming from climate-related perils ceded by the insurer to the reinsurer. The coverage is set out in an agreement between insurer and reinsurer specifying the insurers' products ("underlying product") from which the ceded risks originate.

Eligibility	Criteria
EU Taxonomy consistent	<ol style="list-style-type: none">1. The activity complies with <u>all</u> of the following criteria:2. Leadership in modelling and pricing of climate risks (e.g. modelling that properly reflect climate change risks, and integrate forward-looking scenarios)3. Supporting development and supply of enabling non-life reinsurance products (e.g. the reinsurance activity's underlying products cover risks stemming from climate-related perils and reward preventive actions taken by the insurer's policyholders)4. Innovative insurance coverage solutions that cover climate-related perils5. A significant share of loss data made available, free of charge, to one or several public authorities for the purpose of analytical research6. High level of service in post-disaster situation
Santander-specific	Not Applicable

A.11.4. Climate adaptation

Activity description

Activities that support to mitigate the impacts of the expected physical risks associated to climate change.

Eligibility	Criteria
EU Taxonomy consistent	<p>The activity complies with <u>all</u> of the following criteria:</p> <ol style="list-style-type: none">1. The economic activity has implemented physical and non-physical solutions ('adaptation solutions') that substantially reduce the most important physical climate risks that are material to that activity.2. The physical climate risks that are material to the activity have been identified by performing a robust climate risk and vulnerability assessment. The climate risk and vulnerability assessment is proportionate to the scale of the activity and its expected lifespan3. The climate projections and assessment of impacts are based on best practice and available guidance and take into account the state-of-the-art science for vulnerability and risk analysis and related methodologies in line with the most recent Intergovernmental Panel on Climate Change reports, scientific peer-reviewed publications and open source or paying models.4. The adaptation solutions implemented:5. do not adversely affect the adaptation efforts or the level of resilience to physical climate risks of other people, of nature, of cultural heritage, of assets and of other economic activities6. favour nature-based solutions or rely on blue or green infrastructure to the extent possible7. are consistent with local, sectoral, regional or national adaptation plans and strategies8. are monitored and measured against pre-defined indicators and remedial action is considered where those indicators are not met9. where the solution implemented is physical and consists in an activity for which technical screening criteria have been specified in this Annex, the solution complies with the do no significant harm technical screening criteria for that activity
Santander-specific	<p>The activity complies with <u>one</u> of the following criteria:</p> <ol style="list-style-type: none">1. Climate observation and data systems or infrastructure designed to protect against flooding and other extreme weather events2. Reporting and monitoring systems3. Climate change adaptation infrastructure projects, where the climate challenge they aim to address is specified and plans are reviewed to make sure the project will achieve their adaptation goal (e.g. an entity seeking finance to build flood mitigation infrastructure should provide its plan to manage the project's own E&S impacts during construction, operation and end-of-life)

Appendix B. Social Finance

The table below outlines business activities that address or mitigate a specific social issue or seek to achieve positive social outcomes. Activities that fall under the definition and are aimed at the defined target population are considered social financing. To mitigate risks of unintended consequences or taxonomy loopholes, exclusion criteria or significantly harmful criteria could be introduced. This would ensure that harmful sectors or activities such as weapons, gambling and tobacco cannot qualify as socially sustainable despite e.g. good worker-related performance.

1. Education		
Public ²⁰⁶ centres for educational services as well as provision of services and assets, including: nursery, primary and secondary schools; university buildings; professional training aimed at the insertion and reintegration of people into the job market; and other facilities, such as laboratories and other educational purpose facilities.	Target population: <ul style="list-style-type: none"> General public Impact metric: <ul style="list-style-type: none"> Number of beneficiaries 	
Public ²⁰⁶ sports and cultural education centres as well as provision of services and assets, including: arts, dance, sports, drama, music, etc. ²⁰⁷	Target population: <ul style="list-style-type: none"> General public Impact metric: <ul style="list-style-type: none"> Number of beneficiaries 	
Public ²⁰⁶ centres for other educational activities as well as provision of services and assets, including: <ul style="list-style-type: none"> Academic tutoring Learning centres that offer remedial courses Preparation for professional exams Languages and conversational skills Computer training Innovation 	Target population: <ul style="list-style-type: none"> General public Impact metric: <ul style="list-style-type: none"> Number of beneficiaries 	
Student loans if the terms and conditions offer preferential financial or payment terms ²¹⁶ to target populations.	Target population: <ul style="list-style-type: none"> Low-income individuals Historically marginalised or disadvantaged individuals, based on factors including ethnicity, religion, disability Underserved who do not have quality access to essential goods and services Impact metric: <ul style="list-style-type: none"> Number of students who receive the loan 	
Loans to finance reskilling and upskilling for adults or elderly, with preferential financial or payment terms ²⁰⁸ to target populations.	Target population: <ul style="list-style-type: none"> Low-income individuals Historically marginalised or disadvantaged individuals, based on factors including ethnicity, religion, disability Impact metric: <ul style="list-style-type: none"> Number of loan recipients 	

²⁰⁶ This may include private centres that are non-profit or affordable for vulnerable and low-income groups. Low-income groups are as defined in the Target Population – categories section below. Sustainalytics considers it important for private non-profit centres to be made affordable for vulnerable and low-income groups.

²⁰⁷ This section does not include:

- activities of cultural, entertainment and recreational interest, such as live performances, museums, gambling and sports and leisure;
- the operation of sports facilities and sports teams and clubs' activities.

²⁰⁸ Responsible lending practices are already in place to understand the borrower's financial situation, help ensure that borrowers understand the terms of the loan to mitigate risks for the borrowers and avoid inappropriate lending practices.

2. Healthcare

Research and development (R&D) for, and manufacture²⁰⁹ of:

- Basic and generic type pharmaceutical products and preparations (including vaccines)
- Medical equipment and other supplies, including: radiation, electro medical and electrotherapeutic equipment, medical and dental instruments, etc.

Healthcare services and assets in public²⁰⁶ hospitals; centres for general healthcare, specialized medicine, physiotherapy, diagnostics, family planning and speech therapy; laboratories and field hospitals.

Public²⁰⁶ health services at specialized residential care/social work facilities to target populations, such as:

- Specialized residential care facilities (e.g., centres for nursing, learning disabilities, mental health, substance abuse treatment, the elderly, people with disabilities and other residential care activities for children, the homeless, orphans and other vulnerable groups).
- Non-residential social work facilities (for the elderly and people with disabilities, children's day-care and other non-accommodation activities like counselling, helping victims of natural disasters and vocational training for the unemployed).

Target population:

- General public

Impact metric:

- Number of people who use the products

Target population:

- General public

Impact metric:

- Number of people who benefit from the facilities

Target population:

- People with disabilities
- Senior citizens and vulnerable youth
- Other vulnerable groups, such as: children without families, homeless people and persons with substance abuse problems
- Migrants and displaced persons

Impact metric:

- Number of people who benefit from those services

3. Transport

Roads and related infrastructure²¹⁰ (such as bridges, viaducts and tunnels, among others) aimed at improving transport links to underdeveloped rural areas, or where road connectivity does not exist or is clearly inadequate and hinders a community's development in target population areas.

Public transportation infrastructure, including over- and underground railways to bring socio-economic development in target population areas.

Target population:

- The underserved who do not have quality access to essential goods and services (e.g., connecting remote or rural populations).

Impact metric:

Number of people reached via the roads and infrastructure

Target population:

- The underserved who do not have quality access to essential goods and services (e.g., cities without underground railways, rural populations and remote villages)

Impact metric:

- Number of people reached via the railway infrastructure

Target population:

- General public

Impact metric:

- Number of people who use the products

²⁰⁹ Sustainalytics considers expenditures that could enhance the provision of essential medicine related to critical illnesses and conditions where gaps in access exist as an impactful social expenditure and notes the broad range of possible medicine and associated equipment and supplies to be included under this category

²¹⁰ Financing excludes the upkeep or upgrade of highways and major roads, including in rural areas.

4. Energy

Clean (renewable) energy production and distribution lines and dedicated buildings and structures in target population areas.

All transmission and distribution infrastructure dedicated to connecting fossil or nuclear power plants to the grid are excluded.

Target population:

- The underserved who do not have quality access to essential goods and services (e.g., rural populations and areas with no access to electricity or where access to electricity is substantially inadequate)

Impact metric:

- Number of people reached

5. Water and waste management

Water collection, treatment²¹¹ and distribution infrastructure; and dedicated buildings and structures in target population areas.

Target population:

- The underserved who do not have quality access to essential goods and services (e.g., cities with poor water quality or no treatment systems)

Impact metric:

Number of people reached

Sewage, wastewater (not derived from fossil fuel sources) treatment and collection infrastructure (including wastewater transport vehicles that adhere to local emissions regulations); and of supporting integral buildings and structures in target population areas.

Target population:

- The underserved who do not have quality access to essential goods and services (e.g., cities with no sewage or wastewater treatment systems)

Impact metric:

- Number of people reached

Hazardous and non-hazardous waste collection (including waste collection vehicles that adhere to local emissions regulations), sorting, disposal, treatment and recycling (including the recovery of waste and dismantling of wrecks) in target population areas.

Target population:

- The underserved who do not have quality access to essential goods and services (e.g., cities with no previous infrastructure for this purpose)

Impact metric:

- Amount of waste collected, recycled and treated
- Number of people reached

6. Real estate

Affordable housing: granting of loans for housing (mortgages) for own residence purposes.

This is considered a social activity if the loan the bank provides has preferential financial or payment terms so that housing will remain affordable over time²⁰⁸

Target population:

- People without adequate housing, including the homeless and people in slums and informal settlements
- Income is less than 80% of the average income for the area, region or country; or income below the national median
- People who meet the regional or national government's socio-economic requirements for affordable or social housing programs

Impact metric:

- Number of people (average family size x number of mortgages) who benefit from the mortgage

Affordable housing and associated infrastructure that meets authorities' socio-economic requirements.

Target population:

- People who meet the regional government's socio-economic requirements for affordable or social housing programs

Impact metric:

- Number of people (average family size x number of mortgages) who benefit from the homes

²¹¹ Where desalination plants are considered, these will not be powered by dedicated on site fossil fuel power generation plants. Additionally, Sustainalytics considers it good practice for desalination plants to have appropriate waste management plans for brine disposal in place by the time of project commencement.

7. Finance and insurance

Lending or protection to the defined target population.

Investment to increase access to a wide range of micro insurance and transactional banking products and services to the target population.

Financing to entities that have been impacted by natural, health and/or human-made disasters, as well as severe socioeconomic situations; and are deemed materially significant to the local economy, either because of the sector they support, the jobs they provide or the services they offer.

Financing or protection with preferential financial or payment terms to entities and individuals²⁰⁸ that have been impacted by natural, armed, health and/or human-made disasters, as well as severe socioeconomic situations.

Target population:

- SMEs, microenterprises, microentrepreneurs and informal workers (including local government's definition) that are underserved or in underdeveloped areas or regions within the relevant country; areas experiencing depopulation; or that are affected by natural or health disasters

Impact metric:

- Number of people who receive the finance or microfinance

8. IT and communications

Telecommunications infrastructure, distribution lines and supporting integral buildings and structures (especially fiber optic network, 5G networks and high-capacity network deployment, as well as landlines when applicable) in target population areas.

Target population:

- The underserved who do not have quality access to essential goods and services

Impact metric:

- Number of people who will have an internet connection for the first time

9. Non-profit organizations

Lending to non-profit organizations and/or registered charities that meet Banco Santander's guidelines²⁰⁸ and advance the green and social themes in the SFICS, and in the spirit of pursuing the environmental and social objectives of activities covered in SFICS.

Target population:

- Non-profit organizations

Impact metric:

- Number of non-profit organizations that receive financing

10. Special Employment Centres

Special Employment Centres (CEE in Spanish) are companies whose main objective is to provide workers with disabilities with productive and remunerated work appropriate to their personal characteristics and to facilitate their integration into the labor market. Special Employment Centres must count on their workforce with more than 50% of their employees with a recognized disability.

Target population:

- Special Employment Centres (CEE in Spanish)

Impact metric:

- Number of Special Employment Centres (CEE in Spanish) that receive financing

Target population	Definition
Adult learning	Education that specifically targets individuals deemed adults in their society to improve their technical or professional qualifications; develop their skills; enrich their knowledge with the purpose of completing a level of formal education; or to upskill or reskill them.
Excluded and/or marginalized populations and communities	Individuals who are unable or have greater difficulties to participate in economic, social, political and cultural life because of their gender, ethnicity, religion or language, as well as the process leading to and sustaining such status.
General public	General population (as long as the service/activity is affordable and accessible).
Informal workers	Workers that engage in street vending, home-based work, waste picking, domestic jobs, and other short-term contracts. They may be undocumented, usually are classified as living just above the poverty line, and may not qualify for or even seek government support in normal times.
Low-income	Defined by official government definitions in the relevant country or jurisdiction. In the absence of such definitions, low-income is defined as individuals or families whose income is less than 80% of the average income for the relevant area, region or country; or income below the national median.
Migrants and/or displaced persons	People who have been forced to leave their homes or have voluntarily left their country of origin (including refugees, stateless people and asylum seekers).
Other vulnerable groups, including people who have suffered natural disasters	Any group susceptible to suffering discrimination based on its socio-economic background and status, including: students; sole traders; small business owners; freelancers; start-ups and entrepreneurs; children without families; homeless people; substance abusers, etc.
People with disabilities	People with temporary or permanent disabilities who may experience poor health; have less access to healthcare, education and work opportunities; and are more likely to live in poverty than people without disabilities.
Senior citizens and vulnerable youth	Ageing populations: senior citizens with difficult or limited access to infrastructure and services. Young people are considered a vulnerable group because of their unstable financial situation.
SMEs & Microenterprises	Non-subsidiary, independent firms of reduced size, according to the definition of the relevant national regulation. In the absence of relevant national or international regulations, SMEs & microenterprises are defined by the IFC as organizations that has fewer than 300 employees and an annual turnover or total assets of less than USD 15 million.
Underdeveloped areas or regions	Remote or underdeveloped areas or regions (as defined by relevant national or international authorities) and/or sparsely populated areas or regions (as defined by relevant national or international authorities) areas or regions that might suffer exclusion from lack of services and access due to their remoteness or political exclusion. or Areas or regions that are in the relevant country's (i) bottom 40th percentile in terms of GDP per capita; and at the same time in (ii) top 40th percentile in terms of unemployment rate
Undereducated	People who have not completed mandatory education or wish to undertake a higher degree of studies that they previously could not attain.
Underserved who do not have quality access to essential goods and services.	People without basic infrastructure (e.g. but not restricted to, rural/isolated populations). People who are unbanked (i.e. from households without a current or savings account who may rely on AFS) or otherwise have limited access to mainstream financial services. People without access to basic infrastructure (e.g. slums, peripheral areas or rural/isolated populations).
Unemployed	Share of population of working age who were not in employment, carried out activities to seek employment during a specified recent period and were currently available to take up employment given a job.

Appendix C. Sustainability-linked Finance

Sustainability-linked financial instruments are designed to further customers' objectives and commitments with regard to environmental and social sustainability. Their pricing can vary if the customer achieves pre-determined sustainability/ESG objectives. These sustainability performance targets ("SPTs") can relate to (1) pre-determined sustainability indicators and /or (2) ESG ratings.

Regardless of their structure, they should conform to recognized industry principles and guidelines such as LMA's or ICMA's Sustainability-Linked Loan/Bond Principles.

1. If based on pre-determined sustainability key performance indicators (KPIs):
 - A. The KPIs should be measurable, relevant, core and material to the customer's overall business and to the sector's sustainability challenges.
 - B. The sustainability performance targets (SPTs) should be ambitious and consistent with the customer's overall sustainability strategy.
2. If based on ESG ratings:
 - A. The rating needs to be provided by recognized and reputable ESG assessment providers.
 - C. The sustainability performance target rating level should be ambitious with respect to the baseline rating.

For CIB, as an example, Sustainability-linked financing transactions should be structured and assessed according to the internal Santander Corporate Investment Banking (SCIB)'s latest structuring guidance.

Sustainable financial instruments could also be considered if a reputable external second-party opinion provider has found them consistent with the Loan Market Association (LMA)'s or International Capital Market Association (ICMA)'s Sustainability Linked Loan/Bond Principles.

Appendix D. Socially Responsible Investment

Introduction

Santander Wealth Management and Insurance (WM&I) has established criteria to classify financial instruments and services as socially responsible investments (SRI) for labelling and reporting purposes. These criteria are based on Regulation (EU) 2019/2088 (**SFDR**)²¹², ESMA Guidelines on funds' names using ESG- related terms or local criteria in non-EU countries.

Additionally, in the EU, financial instruments require the assignment of some attributes regarding sustainability preferences in compliance with the ESMA guidelines that develop the Delegated Regulation (EU) 2021/1253 of the European Commission of 21 April 2021 – (Green MiFID) when providing portfolio management services and investment advice activities.

These criteria are owned by WM&I and its businesses. They have been defined and developed by its asset management and private banking businesses in coordination with the bank, following regulatory requirements and/or market practice for asset management and investment advice activities and are compatible with other criteria set for financial instruments in this document.

These criteria are further developed in the following documents:

- Santander Asset Management and Private Banking ESG GFL fund selection guide
- Santander Asset Management Procedure for Integration of Sustainability Criteria in Risk Management.
- Santander Asset Management Sustainable Investment procedure
- Santander Alternative Investments Procedure for Integration of Sustainability Criteria in Risk Management.
- WM&I Reference Document for Sustainability Criteria Integration in Investment Advice and Portfolio Management Processes and the documents that transpose it in each country.

Scope

These criteria apply to financial instruments and services manufactured, advised or managed by Santander or any of its asset management businesses or by third parties and financial instruments that can be distributed to the clients of Santander:

1. Classification criteria for Socially Responsible Investments (SRI)
 - 1.1. Financial instruments & services classified as art 8/9 or alike
 - 1.1.1. Third party funds, including ESG GFL
 - 1.1.2. SAM financial instruments and services
 - 1.1.3. Santander Alternative Investments (SAI) financial instruments
 - 1.1.4. Discretionary portfolio management services
 - 1.1.5. Financial instruments outside the EU regulation
 - 1.2. Financial instruments classified as Sustainable Investment (SI)
 - 1.2.1 Direct investment in financial instruments
 - 1.2.2. Structured notes
2. Attributes for investment advice

²¹² SFDR = Sustainable Finance Disclosure Regulation

D.1. Classification criteria for Socially Responsible Investments

D.1.1. Financial instruments & services classified as art 8 or 9 or alike

Types of financial instruments and services²¹³: CIs, Alternative products, ETFs, Pension Funds, Discretionary Portfolio Management (incl. tailor-made investment mandates) and Investment-based Insurance Products (IBIPs)

General criteria: Financial instruments and services classified or registered with a local regulator as Art 8 or Art 9 in the EU and according to local regulation or SAM criteria²¹⁴ outside the EU. **These will be reported as SRI unless otherwise stated.**

Funds names including ESG concepts linked to transition, environmental, social, impact, sustainability, etc. must comply ESMA Guidelines on funds names using ESG terms (ESMA34-1592494965-657):

- Meet an 80% threshold linked to the proportion of investments used to meet environmental or social characteristic or sustainable investment objectives in accordance with the binding elements of the investment strategy.
- In the specific case, where using “sustainability” related words, the fund must comply also with commit to invest meaningfully in sustainable investments, i.e. investment that contributes to a particular objective and do not harm any of those objectives and that the investee companies follow good governance practices (Article 2(17) of the SFDR).
- See guidelines for specific details

D.1.1.1. Third party funds

Eligibility	Criteria detail
<ul style="list-style-type: none">• SFDR• WM&I SRI definition• Santander ESG GFL	<p>SFDR classification and ESG related names are assigned by manufacturer.</p> <p>For the criteria used by Private Banking fund selection team to classify a subset of the Global Focus List as ESG, see <i>Santander Asset Management and Private Banking ESG GFL fund selection guide</i>.</p>

D.1.1.2. SAM financial instruments and services

Eligibility	Criteria detail
<ul style="list-style-type: none">• SFDR• WM&I SRI definition	<p>Article 8 (all must be met):</p> <ul style="list-style-type: none">• Portfolios that meet an average minimum ESG score²¹⁵• No investments in corporates with critical controversies or exposure to harmful activities• Investments in issuers with no material social or environmental negative impact (PASI) for the majority of the strategies²¹⁶ <p>Article 9²¹⁷ (all must be met):</p> <ul style="list-style-type: none">• Investments in issuers that contribute to a measurable sustainable objective• No investments in corporates with critical controversies or exposure to harmful activities• Investments in issuers with no material social or environmental negative impact (PASI)²¹⁸

	See SAM's <i>Procedure for Integration of Sustainability Criteria in Risk Management</i> for specific criteria applied to each investment strategy.
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D.1.1.3. Santander Alternative Investments (SAI) financial instruments

Eligibility	Criteria detail
<ul style="list-style-type: none"> • SFDR • WM&I SRI definition 	<p>Article 8 (all must be met):</p> <ul style="list-style-type: none"> • Investments in assets with an ESG score above a certain level or comply with defined criteria²¹⁹ • No investments in corporates with critical controversies or exposure to harmful activities • Investments in issuers with no material social or environmental negative impact (PASI)²²⁰ <p>Article 9²²¹ (all must be met):</p> <ul style="list-style-type: none"> • Investments in issuers that contribute to a measurable sustainable objective • No investments in corporates with critical controversies or exposure to harmful activities • Investments in issuers with no material social or environmental negative impact (PASI)¹³ <p><i>See SAI's <i>Procedure for Integration of Sustainability Criteria in Risk Management</i> for specific criteria of each investment strategy.</i></p>

D.1.1.4. Discretionary portfolio management services

Eligibility	Criteria detail
<ul style="list-style-type: none"> • SFDR • WM&I SRI definition 	<p>Portfolios that integrate sustainability risks, i.e. that meet the minimum exclusion criteria defined in the Group's Policies (Defense Policy and Socio-environmental and Climate Change Risk Policy) and also <u>meet at least one</u> of the following criteria:</p> <ul style="list-style-type: none"> • Minimum percentage of portfolio assets aligned with the environmental and/or social characteristics of the product of at least 51%. • Average ESG rating of the portfolio in CIs of at least A- on a 7-level scale (C-, +, B, A-, A and A+, where A+ reflects the best ESG performance), which is equivalent to a score of 55 out of 100. However, due to market circumstances this average score may drop to a minimum of 50 (which is equivalent to a B rating) for investment in

²¹³ These products are in scope of SFDR.

²¹⁴ This applies only to SAM funds.

²¹⁵ Score from SAM's proprietary methodology.

²¹⁶ Except sovereign debt funds and structured notes

²¹⁷ All investments must comply with the sustainable Investment as defined in article 2(17) of SFDR excluding cash and hedging.

²¹⁸ PASI management is only mandatory for Art 9 strategies.

²¹⁹ Score or Due Diligence from SAI's proprietary methodology. This methodology is currently only applied to the following strategies: Santander Innoenergy Climate VC and Atitlan AGRO I, S.C.R., S.A.

²²⁰ SAI currently considers PASI in all of its Art 8 strategies although it is not mandatory by regulation.

²²¹All investments must comply with the sustainable Investment as defined in article 2(17) of SFDR excluding cash and hedging.

	<p>certain asset classes (i.e: equities in emerging markets, small companies, fixed income of high-yield issuers, etc.). In this way, the portfolio meets the criteria described for the promotion of the ESG characteristics outlined above.</p> <p>See SAM's <i>Procedure for Integration of Sustainability Criteria in Risk Management</i> for specific criteria applied to each investment strategy.</p>
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D.1.1.5. Financial instruments and services outside the EU

D.1.1.5.1. Other countries (ex Switzerland)

Eligibility	Criteria detail
• WM&I SRI definition	<p>Financial instruments or services outside the EU could be classified on any of the following:</p> <ul style="list-style-type: none"> • according to local regulation (i.e. SDR in the UK) • according to section 1.1.2 (i.e. Brazil)

D.1.1.5.2. Switzerland

Eligibility	Criteria
• SBA self-regulation	<p>The following financial instruments: fixed income (corporates), equities, funds and ETFs, must meet <u>all of the below</u>:</p> <ul style="list-style-type: none"> • ESG rating of A or above from MSCI • No red flag for ESG controversies from MSCI on fixed income or equities • No very severe controversies from MSCI on Funds and ETFs • Group exclusions (from Santander defense policy) <p><i>Following a prudent approach, financial instruments classified under these criteria are excluded for reporting purposes.</i></p>

D.1.2. Financial instruments classified as Sustainable Investment (SI)

D.1.2.1. Direct investments in financial instruments

Types of products: equity and fixed Income excluding sovereign debt that is not a green, social and sustainable bond.

General criteria: as per Article 2 (17) of Regulation (EU) 2019/2088 (SFDR), "a sustainable investment is **an investment in an economic activity that contributes to an environmental objective**, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes **to a social objective**, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities, provided that **such investments do not significantly harm any of those objectives** and that **the investee companies follow good governance practices**, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance." **These will be reported as SRI unless otherwise stated.**

Eligibility	Criteria detail
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<ul style="list-style-type: none"> WM&I SRI definition Article 2 section 17 of Regulation (EU) 2019/2088 (SFDR) 	<p>Conditions A, B and C must be met:</p> <p>A. Contributes to an environmental and social objective (at least one must be met):</p> <ul style="list-style-type: none"> Investments in corporates with ≥20% revenue alignment with the EU taxonomy Investments in green, social or sustainable bonds certified by a third party. Investments in corporates that are classified as 'Net Zero' or 'Aligned' in accordance with IIGCC Net Zero Maturity scale Investments in corporates that derive ≥20% of revenues from SDG-aligned products or services based on MSCI methodology Investments in corporates that score in environmental or social (E/S) metrics based on SAM methodology in the top 20% of the total universe of companies covered by the ESG data provider <p>B. Does not significantly harm any of those objectives (all of the following must be met):</p> <ul style="list-style-type: none"> No investments in corporates with critical controversies and/or exposure (over certain thresholds) to fossil fuel, tobacco, controversial weapons, and gambling Investments in corporates with no material social or environmental negative impact on any of the SFDR mandatory indicators Investments in corporates with an ESG score ≥B based on SAM's methodology <p>C. Follows good governance practices: Investments in corporates with a G score based on SAM methodology in the top 70% of the total universe of companies covered by the ESG data provider.</p>
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D.1.2.2. Structured notes

Eligibility	Criteria detail
<ul style="list-style-type: none"> WM&I SRI definition 	<p>Structured notes that comply with any of the following criteria:</p> <ul style="list-style-type: none"> The underlying security is a green, social or sustainability bond. The use of proceeds complies with SFICS according to the criteria defined <p>For reporting purposes, only structured notes classified as 100% IS will qualify as SRI.</p>

D.2. Attributes for investment advice

D.2.1. European Union

The Delegated Regulation (EU) 2021/1253 of the European Commission of 21 April 2021 (Green MiFID) establishes that institutions must integrate client sustainability preferences into the client suitability assessment process when providing investment advice or discretionary portfolio management. The sustainability preferences are defined by the following attributes disclosed by the manufacturer of the product:

1. **Minimum proportion in environmentally sustainable investments (alignment with taxonomy)**, as defined in Article 2, section 1, of Regulation (EU) 2020/852 of the European Parliament and of the Council;
2. **Minimum proportion in sustainable investments**, as defined in Article 2, section 17, of Regulation (EU) 2019/2088 of the European Parliament and of the Council;
3. Consideration of **the principal adverse impacts on the sustainability factors** (only applicable for SFDR products scope as set out in Article 7 of EU Regulation 2019/2088 of the European Parliament and of the Council).

These attributes do not lead to a sustainability classification and are required for all financial instruments, regardless of their level of sustainability or their eligibility to be advised or distributed.

Eligibility	Criteria
Green MiFID	See <i>WM&I Reference Document for Sustainability Criteria Integration in Investment Advice and Portfolio Management Processes and the documents that transpose it in each country</i> .

D.2.2. Switzerland

In compliance with the Federal Act on Financial Services (FinSA), the Swiss Bankers Association (SBA) issued the Guidelines for financial service providers on the integration of ESG preferences and ESG risks into investment advice and portfolio management, which are mandatory for its members. See section 1.1.5.2 of this document for the classification criteria.

Version change control

Version	Unit	Description	Government	Date
1.0	Responsible Banking	First version of SFICS, as an evolution of SFCS and considering the 6 environmental objectives of the EU Taxonomy. In addition, integration of SRI criteria within SFICS.	ESG Meeting & ESG Disclosure Forum	January 2024
2.0	Sustainability	Second review of SFICS, incorporating feedback from business units and countries. Incorporation of criteria to comply with Green MiFID and other regulations.	ESG Meeting ESG Disclosure Forum	January & February 2025