

INFORMATION ON THE INTEGRATION OF SUSTAINABILITY RISKS AND REMUNERATION POLICIES WITH RESPECT TO THE DISCLOSURE OBLIGATIONS ESTABLISHED IN EUROPEAN UNION REGULATION 2019/2088 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 27 NOVEMBER 2019 ON SUSTAINABILITY-RELATED DISCLOSURES IN THE FINANCIAL SERVICES SECTOR (hereinafter, "Disclosure Regulations" or "SFDR")

This document contains information on the Sustainability Risk Integration Policy of Open Bank, S.A. (hereinafter, "**Openbank**" or the "**Bank**") and remuneration¹ of Banco Santander, S.A., and its Group ("**Grupo Santander**") to which Openbank, as a bank that forms part of Grupo Santander, is attached; and how such risks are managed and considered therein.

1. INFORMATION ABOUT THE SUSTAINABILITY RISK INTEGRATION POLICY

1.1 INTRODUCTION

Openbank and Grupo Santander recognise that environmental, social, and corporate governance (ESG) issues pose some of the most important challenges for the long-term prosperity of the global economy, the well-being of people and society, and the ability of the natural environment to support life. Furthermore, the correlation between the responsible management of ESG risks and the mitigation of long-term impacts on the climate has been well established by science, and the work carried out by the Intergovernmental Panel on Climate Change has been the foundation of international agreements such as the Paris Agreement, to combat the effects of climate change and to promote the transition towards a low-carbon society.

In this context and for the purpose of complying with the provisions of the Disclosure Regulations, Openbank's Sustainability Risk Integration Policy is intended to respond, on the one hand, to the Bank's concerns and commitments regarding sustainability and, on the other hand, to comply with the regulatory requirements arising from the Disclosure Regulations, as a participant in the financial markets that provides client portfolio management services. Openbank's portfolio management service is characterised by investing both in index-linked funds, as well as actively managed investment funds.

By virtue of the foregoing, the Sustainability Risk Integration Policy establishes:

- The general principles for the integration of sustainability risks and fundamental concepts;
- The process of integrating sustainability risks; and
- The Bank's internal governance in relation to the obligations regarding the integration of sustainability risks.

¹ Information on the Corporate Remuneration Policy is outlined in this document. This policy has been approved by Grupo Santander's Board of Directors and is provided to all the companies that form part of the Group as a reference document, establishing the applicable principles, which all institutions belonging to the Group must adhere to.

1.2 INTEGRATING SUSTAINABILITY RISKS INTO THE INVESTMENT DECISION-MAKING PROCESS

At Openbank, we are convinced that the way investments are made can have an important impact on people, society, and the environment.

The combination of investment and sustainability facilitates a more rounded investment decision-making process, which, in turn, improves the efficiency of the investment strategies used in the portfolio management service it offers to its clients. To this end, Openbank's investment strategies will take sustainability risks into account indirectly by selecting investment funds that integrate these risks and by prioritising funds that invest directly on the basis of sustainable criteria, provided that this type of product is available on the market.

With this objective in mind, we have established a process that guarantees the integration of ESG risks in investment decision-making, using financial and non-financial information, both when analysing the different alternatives and in tracking the investments made.

In order to select the investment funds that will be incorporated into the investment strategies defined by Openbank in relation to the portfolio management service, Openbank has a procedure for controlling and monitoring the risks inherent to the investments, with the aim of minimising any possible impact on their valuation.

To perform this assessment, prior to making any investment decision on the portfolio management service's investment strategies, Openbank makes use of both quantitative information (based on scores regarding ESG factors) and qualitative information (regarding companies' management strategies and environmental and social policies, ESG risk integration strategies, etc.).

1.3 Subsequent monitoring of sustainability risks

To minimise potential ESG risks, Openbank has established a system to perform periodic checks for any possible deviations that may have occurred in the defined investment strategies, which will be carried out within the framework of the Openbank Investment Committee.

2. INFORMATION ON THE REMUNERATION POLICY AND ITS CONSISTENCY WITH THE INTEGRATION OF SUSTAINABILITY RISKS

This section lists the main principles and elements referring to the way in which the companies of Grupo Santander manage remuneration for all employees, prioritising efficient management of risks in line with the applicable legislation.

- Remunerations are aligned with shareholder interests, focused on creating long-term value and are compatible with adequate and rigorous risk management, with long-term strategy, values, and interests, as well as with maintaining a solid capital base. The key risks for Grupo Santander are: Credit, Market, Liquidity, Structural, Operational, Regulatory Compliance, Model, Reputational, Strategic, Environmental, Social and Climate Change risks.
- Remuneration decisions are made without any type of discrimination other than that derived from performance assessment.
- The structure and amount of the remuneration in each country complies with local laws and regulations and is consistent with the Group's policy, provided that local legislation does not prevent it.
- It is ensured that all key remuneration decisions are submitted to an appropriate level of supervision and approval to ensure their alignment with risk management. More specifically, the risk supervision, regulation, and compliance committee, together with the remuneration committee, supervises the remuneration policy and the programmes with the greatest impact to ensure their alignment with risk management.

- Together, the HR department and the Group's oversight departments, specifically the Risk department, are actively involved in the management of remuneration within the responsibilities defined in the Remuneration Policy and specifically implement the necessary control indicators, with the ability to suggest adjustments to certain elements of remuneration, such as variable pay, depending on the management of all risks carried out during the period by each of the Group's units.
- The management of variable pay in Grupo Santander includes the definition of metrics consistent with the prudent management of present and future risks; in addition to quantitative metrics, qualitative factors are also included to ensure that all types of risks are reflected, as well as sustainability and appropriate valuation of results. The metrics used to calculate the annual variable remuneration include ex-ante adjustments regarding risks, in order to ensure that the variable pay is completely in line with the risks taken on.
- In order to align the risk time horizon and the measurement of results with the bank's business cycle in a multi-annual framework, metrics and multi-annual factors are applied, including those relating to risks or others that determine that said variable pay is paid only in the event of the existence of a solid capital base. These factors are based on the Group's performance in the corresponding fiscal year. Additionally, and for this same purpose, Grupo Santander has implemented deferred variable pay plans that include the requirements defined for this purpose in the applicable regulations.
- Grupo Santander includes explicit ex-post risk adjustment mechanisms, such as malus and clawback clauses, through which the bank itself can adjust the remuneration of a staff member based on the results or the risk management carried out regarding specific incidents.
- Grupo Santander has a procedure for Identifying Significant Risk Holders, reviewed by the oversight functions and aligned with the applicable regulation. The results of this procedure are presented to the remuneration and risk oversight, compliance, and regulation commissions at least once a year. It also has a duly updated record of the members of said group, which is available to the European Central Bank and other supervisory and regulatory bodies.
- The oversight departments of Grupo Santander incorporate specific elements established in the applicable regulation into their remuneration management to guarantee that the remuneration they receive is independent of the business functions over which they exercise their duties.