

Joint declaration of the European Works Council (EWC) and the Central Management of Santander Group regarding the labour relations framework for the provision of financial services

A basic aim of the work of financial institutions is to provide responsible, sustainable financial services. The financial sector plays an important role in the economy, one that goes far beyond that of the stability of financial institutions themselves. The sector is also responsible for promoting the existence of stable markets, and for supporting the economy as a whole.

We are currently living through sweeping changes in the banking and financial sector, and Santander Group (hereinafter also as: "Santander" or the "Group") has adapted to the requirements of a market that is global, competitive, and changing, one in which the ability to respond swiftly and the flexibility to adapt and to take on fresh challenges are key factors for the future and the viability of companies.

One of the main business strategies of Santander Group has been to focus more closely on commercial banking, a move that has meant a greater effort in terms of customer service, with the aim of providing, at one and the same time, an appropriate level of advice and an excellent level of attention, as a necessary condition for the long-term success and sustainability of our Entity. That strategy is part of the policies on Corporate Social Responsibility.

In order to set up a framework that is more favourable in the dynamic of labour relations the strengthens our business model in the EU, the members of the European Works Council and the Group Management, within the framework of compliance with applicable legislation, wish to state that:

- a) In this difficult economic context, we recognise the effort made by Santander, its employees, the management team, and the union organisations to consolidate the strategic position of the Group and to configure it on a worldwide scale to be competitive and guarantee its future and that of its workforce.
- b) The Group, by virtue of its business model, is trying to concentrate all its resources on customer service, improving processes and optimising the functioning of support areas, encouraging employees to act in a manner that supports sustainable development, in accordance with our corporate policy on sales and the General Code of Conduct that binds our professionals.

To that end, Santander is developing internal policies that boost risk management across the organisation as well as responsible selling practices in marketing our products, given that quality of service is a priority in the Group, which constantly seeks the highest level of satisfaction for its clients as well as sustainable development.

Going with that line of action, the Group also actively promotes the fact that as much in the offer as in the sale of products and services, all its employees take special care to offer customers only those products or services that are suitable for their characteristics and requirements, so that the sale of those products and services takes place once customers know their content, risks, and costs.

To that end, Santander drives policies and practices aimed at ensuring that all its employees:

1. Inform customers with impartiality and rigour about the various products and services, explaining the relevant aspects and advising them of risks, costs, and commission that apply. Similarly, any forecast or prediction must be reasonably justified and accompanied by requisite explanations to avoid misunderstanding;
2. Apply current commission tariffs;
3. Avoid selling products or services with the sole purpose of generating commission or income, and without an effective interest in the customer;
4. Do not offer advantages or benefits to one customer to the detriment of others;
5. Ensure that products and services are sold in the manner established in internal procedures.

Those policies and practices are strengthened by the functioning of internal organs that ensure that a product or service is suited to the context in which it will be sold, whereby they establish maximum distribution volumes.

- c) Santander, with the total remuneration that it offers its employees, seeks to guide behaviour and efforts, acknowledging collective and individual contributions, encouraging and rewarding the attainment of realistic business objectives whilst seeking the best balance between the contribution made and the long-term strategic needs and objectives of the Group, stimulating a management culture based on confidence, motivation and team-working.
- d) The Group promotes training action that enables the development of skills, knowledge, and competences amongst staff as a key factor in competitiveness and continuous development of professional abilities that are mainly aimed at risk management, quality of customer service, and product knowledge, through responsibility that is shared between the Management and each employee.

- e) In the field of labour relations, Santander continues to foster a framework of permanent social dialogue with the representatives of all the employees, to facilitate a shared vision of challenges and needs that promotes conflict resolution.
- f) The Group and union organisations must stand together to face the challenges of internalisation and globalisation, joining their forces to take advantage of the opportunities that are presented for the good operation of Santander, its employees and for an improvement in its competitive position.

2. Dissemination

The Central Management of Santander and the Unions forming part thereof undertake to inform all Santander personnel of the content of this declaration, using for that purpose the usual means used for notifying information within the Company.

To ensure that this declaration is understood by all employees, it shall be translated into the official languages present in the European Works Council of Santander Group.