

Sustainability: Social and Environmental Responsibility Policy

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1. Introduction

Banco Santander's purpose is to help people and businesses prosper. This aim inspires long-term business building and is aligned with our culture, which values Simple, Personal and Fair relationships. Driven by this purpose, we strive to achieve our global objective: to be the best open financial services platform, while acting responsibly and earning the loyalty of our employees, consumers, shareholders and communities.

Santander understands that generating profit in a consistent and responsible manner is crucial to being sustainable over the long run. To this end, it undertakes to manage its social and environmental risks, such as climate change, scarcity of resources and violations of social rights, as well as to expand its positive impacts.

2. Objective

The purpose of this Policy is to set forth the principles and guidelines for Santander's social and environmental practices in business and Stakeholder relations. This includes managing social and environmental risks and opportunities within the sphere of influence of the Organization, with a view to preventing negative impacts and expanding the positive impacts of both its financial Operations and its Activities.

3. Reference Principles and Relationship with Other Policies

Santander is always oriented towards compliance with Brazilian law. Accordingly, it seeks to remain constantly up-to-date on the social and environmental laws and regulations applicable to the Organization, as well as other social and environmental regulations of interest to its business.

In this context, the principles and guidelines established herein aim to fulfill both the social and environmental risk management and governance obligations set out in the applicable legislation, as well as voluntary commitments undertaken by Santander. These commitments, such as the UNEP FI Principles for Responsible Banking¹, intend to further the promotion of respect for human rights, the mitigation of climate change, and the United Nations Sustainable Development Goals ("SDGs"). The commitments undertaken by Santander are public and are available on the institutional sustainability website www.santander.com.br/sustainability.

In particular, this Policy is consistent with Resolution No. 4327/2014 from the National Monetary Council ("CMN"), which sets forth the guidelines to be followed in the establishment and implementation of the Social and Environmental Responsibility Policy by financial institutions and other institutions authorized to operate in the country by the Brazilian Central Bank.

Additionally, this Policy is aligned with the Corporate guidelines set forth in the "General Sustainability Policy", in the "Human Rights Policy", in the "Corporate Culture Policy", in the "Principles of Action in Tax Matters" and in the social and environmental risk policies of the Santander

¹ UNEP FI is the United Nations Environment Program Financial Initiative, a partnership between the United Nations and several financial institutions around the world.

Group. Other policies of Banco Santander Brasil complement this Policy and are referenced throughout this document.

This Policy applies to Banco Santander (Brasil) S.A. and Conglomerate companies included in the ANNEX - List of Companies, hereinafter referred to as “Santander” or “Organization”. The application of the Policy to these companies will always consider the principles of Relevance and Proportionality, as defined in item 4. These same principles are also taken into account in the other policies mentioned herein, which may have different scopes of application than those of the PRSA, depending on their specific contexts.

4. Definitions

For the purposes of this Policy, the terms indicated below, when used with the first letter capitalized, shall have the following meanings:

- **Organization:** Banco Santander (Brasil) S.A. and other Conglomerate companies to which this Policy is applicable, as defined in item 3;
- **PRSA:** Social and Environmental Responsibility Policy;
- **Stakeholders:** Santander’s main stakeholders are its employees, shareholders, customers, suppliers and the community, as well as society as a whole;
- **Relevance:** the degree of social and environmental risk exposure of the Organization’s Activities and financial Operations;
- **Proportionality:** the compatibility of this Social and Environmental Responsibility Policy with the nature and complexity of Santander’s Activities, services and financial products;
- **Activities:** processes and internal practices of the Organization that may cause social and environmental impact, not to be confused with Operations or financial services;
- **Operations:** financial operations identified as being subject to assessment of social and environmental issues by the Organization;
- **Financing:** a type of financial Operation originated in the primary credit market in which the Organization grants, through long-term financial loans, funds with specific destinations provided for in a contract;
- **Project:** investment made by the grantee responsible for obtaining environmental permits to implement or expand facilities that cause significant social and environmental impact and for which an environmental impact assessment and associated report (“EIA/RIMA”) or a simplified environmental report (“RAS”) is required under current legislation.

5. Stakeholder Engagement

Santander seeks to take Stakeholders into account in the conduct of its business to create long-term value, as well as to build, maintain and strengthen trustworthy, inclusive, ethical and mutually beneficial relationships. In this context, it provides communication channels such as Customer Service (“SAC”), Ombudsman, Open Channel and the e-mail address

sustentabilidade@santander.com.br. Additionally, it has established guidelines and initiatives related to its main Stakeholders:

- a. **Employees:** best labor practices, as stated in items 12 and 13 of this Policy;
- b. **Customers:** best practices in social and environmental risk assessment, products and services, sustainable businesses, corruption and financial education, as stated in items 6, 7 and 8 of this Policy;
- c. **Shareholders:** best governance and information transparency practices, including the practices stated in items 14 and 16;
- d. **Community and society:** best practices in information transparency, social investment and financial guidance, as stated in items 8, 9 and 16 of this Policy;
- e. **Suppliers:** best practices in supplier management, as stated in item 11 of this Policy.

6. Social and Environmental Risk Management

Santander acknowledges the existence of Social and Environmental Risks, understood as the possibility of losses arising from social and environmental damage, which are considered a component of the various types of risk to which the Organization is exposed.

In this context, Santander has systems, routines and procedures in place to identify, assess, manage and mitigate the Social and Environmental Risks of its prioritized Operations and Activities, and are therefore included within the scope of the Social and Environmental Risk management of this Policy, which are determined based on the principles of Relevance and Proportionality. This management is executed according to the guidelines described in the following items.

Pursuant to the provisions set forth in SARB Regulation No. 14, issued by FEBRABAN, it is not within the scope of this Policy any financial Operations whose characteristics make the assessment and monitoring of social and environmental issues unfeasible, such as, for example, the ability to identify in advance the exact purpose for the use of funds of that Operation.

Nevertheless, the fact that an initiative is not included among the prioritized Activities and Operations does not prevent Santander from taking voluntary measures outside the scope of this Policy that contribute to the strategy and to the fulfillment of the commitments undertaken by the Organization in the field of Sustainable Development.

6.1. Operations

Santander manages social and environmental risks related to its financial Operations in accordance with the guidelines set out in the following policies:

- Social and Environmental Risk Policy;
- Energy Sector Policy;
- Mining and Metallurgy Policy;
- Soft Commodities Sector Policy;

- Defense Sector Policy (weapons, ammunition, military equipment and military vehicle manufacturing).

These policies include criteria for assessment, restriction and exclusion applicable to specific sectors and activities that may have negative social and environmental impacts over the short or long term. By doing so, Santander aims to respond to today's social and environmental challenges, including climate change.

Furthermore, the management of these risks involves the inclusion of clauses relating to social and environmental prerequisites in the contracts, pursuant to the provisions set forth in SARB Regulation No. 14, issued by FEBRABAN, and seeks to minimize any negative effects in the approved Operations, as well as to create opportunities for the dissemination of a culture of sustainability among customers.

6.2. Project Financing

Santander manages social and environmental risks in connection with Project Financing according to the guidelines contained in the [Social and Environmental Risk Management Policy](#), which may include the use of clauses relating to social and environmental prerequisites in the contracts, as well as specific requirements for project analysis and Financing defined by the Equator Principles², so as to minimize any negative effects on the environment and communities arising from approved Operations, including human rights and climate change issues, thereby creating opportunities to disseminate best sustainability practices among customers.

The aforementioned analysis must consider, at least, criteria for:

- a. Economic sector of the financed party and location of the Project;
- b. Quality of the borrower's social and environmental management within the scope of the Project;
- c. Assessment of real estate collateral.

6.3. Participation in Companies

Santander manages the social and environmental risks of new investments made in the form of Participation in companies in accordance with the provisions of the [Social and Environmental Risk Policy](#).

In the case of companies in which the Organization holds partner rights that ensure its predominance in corporate decisions, the power to elect or remove the majority of management officers, effective operational control or corporate control, this management includes the exercise of social and environmental diligence in the invested company.

² International reference principles on social and environmental risk for financial institutions in the financing assessment process for large projects. Further information is available at: <http://www.equator-principles.com/>.

6.4. Products and Services Analysis

Santander, through its products and services, strives to foster a cleaner and more inclusive economy. To this end, it assesses and manages the suitability and potential social and environmental impacts of its products and services through criteria utilized in the product creation/review process, which includes transparency, customer suitability and reputation risk, following the regulations on Marketing and Approval of Products and Services (Procedure Manual for Product and Service Approval).

6.5. Activities

Santander manages and monitors the social and environmental risks and impacts of its Activities. Accordingly, it adopts practices related to the topics outlined below, which are detailed in items 10, 11 and 12 of this Policy.

- a. **Environmental Management:** responsible use of natural resources and mitigation of environmental impacts;
- b. **Employees:** occupational health and safety management;
- c. **Suppliers:** use of social and environmental criteria in the supplier contracting and monitoring process.

6.6. Collaterals

Santander conducts social and environmental diligence processes for the acceptance, renewal and foreclosure of real estate collateral, consistent with the provisions of the [Social and Environmental Risk Policy](#).

6.7. Loss Records

Santander keeps information records on losses arising from social and environmental issues, pursuant to the provisions set forth in SARB Regulation No. 14, issued by FEBRABAN.

6.8. Relationship Restrictions

Santander repudiates any practices that violate human rights. To this end, it applies restrictions on relationships with customers, potential customers and suppliers, whether individuals or legal entities, included in the Official Register of Employers found to have submitted workers to slave-like conditions (MTPS/MMIRDH Inter-Ministry Ordinance No. 4 of 05/11/2016), in accordance with the provisions of the [Social and Environmental Risk Policy](#).

7. Fostering Sustainable Businesses

The individual needs and challenges of society, such as those articulated in the UN Sustainable Development Goals, including climate change and other social and environmental issues, create business opportunities.

Accordingly, the Organization promotes the offering of financial products and services that foster, for example, solutions related to: energy efficiency, greenhouse gas emissions reduction, cleaner production, more sustainable buildings, accessibility improvements, sustainable agribusiness, mobility, health and education, in addition to supporting entrepreneurship, microfinance, and other initiatives that address the needs of customers deemed vulnerable or historically discriminated against, and which contribute to financial inclusion. These solutions may or may not involve specific products for social and environmental purposes.

8. Financial Guidance

Santander recognizes the importance of financial education for customers, employees and society. For this reason, it encourages knowledge of financial planning concepts and provides information and qualified guidance on the proper use of financial products and services, based on the needs of its customers and potential customers. [Learn more about our Financial Guidance practices.](#)

9. Social Investment

Santander works to generate a positive impact on society through the voluntary and systematic transfer of funds, in a planned and monitored manner, to social projects of public interest. The strategy and practices for making these investments, as well as for donations and volunteering activities involving employees, are set out in the Social Investment Policy.

10. Environmental Management

Santander seeks to apply best practices in Environmental Management and in combating climate change, favoring an approach centered on anticipating and preventing environmental impacts, while striving for continuous improvement and observing the precautionary principle, in accordance with the following guidelines:

- a. Apply the provisions of the Environmental Management System Manual to the Organization's facilities;
- b. Measure and manage the consumption of natural resources, promoting initiatives aimed at energy and water efficiency; and the use of renewable energies in order to make the best use of these resources while preserving them;
- c. Measure and manage waste generation, promoting its proper management, including electronic waste;
- d. Measure, reduce and report greenhouse gas emissions. This includes the use of nationally and internationally recognized standards for conducting its emissions inventory.

[Learn more about our environmental management practices.](#)

11. Suppliers

Santander always strives to work with suppliers with good social, environmental and ethical conduct, and which encourage the adoption of best practices, rejecting any practices that are not compliant with the law, that disrespect human rights or that are connected with acts of personal bias or that characterize situations of corruption or bribery.

To this end, it seeks to:

- a. Include social and environmental criteria in the supplier contracting process, according to the guidelines of the Supplier Approval Policy and Corporate Framework for Outsourcing and Agreements with Third Parties;
- b. Include in all its contracts with suppliers a contractual clause that stipulates social and environmental obligations, namely obligations related to the prevention of slave labor, child labor and sexual exploitation, respect for the environment and fight against all forms of corruption;
- c. Include social and environmental criteria in the supplier monitoring process;
- d. Encourage its suppliers to adopt social and environmental policies and/or practices, such as codes of ethics, environmental management, mitigation of climate change, health and safety management and promotion of diversity and inclusion, and consistent with the United Nations Global Compact Principles.

12. Employees

Professional ethics and respect for human rights guide the behavior of Santander employees and are reflected in their internal commitments and codes of conduct, such as the Code of Ethical Conduct; Anti-corruption Policy; and Environmental Management System Manual.

In addition, the Organization provides conditions for the development of its professionals and bases its relations with employees and interns on best labor practices. To this end, the Human Resources Vice Presidency seeks to:

- a. Act with a focus on preventing accidents, incidents and occupational diseases, which includes the practices provided for in the Medical Control Program for Occupational Health and Work Safety Prevention Programs, in addition to promoting full health through the Be Healthy global program, which encourages employees to lead lifestyles that prioritize physical and mental wellness;
- b. Promote a healthy and safe work environment for all employees, interns, young apprentices and third parties, free from all forms of abuse/harassment, intimidation and violence, such as moral and sexual harassment, as well as any form of work involving slave-like conditions, child labor and sexual exploitation. Part of this commitment is to fight all forms of discrimination on the basis of color, race, ethnicity, origin, social class, gender, religion, sexual orientation, marital status, age or physical appearance;

- c. Respect and value the diversity of gender, race, ethnicity, age, sexual orientation, or any other condition, in addition to promoting an inclusive work environment, with equal opportunities and encouraging a balance between personal and professional life.

13. Training

The Organization informs and trains employees and other Stakeholders on social and environmental issues. Accordingly, it undertakes to:

- a. Promote appropriate employee training on the issues addressed in this Policy;
- b. Share Banco Santander's strategy, focus areas and actions in sustainability with its employees and other stakeholders, thus contributing to sustainable development.

14. Governance

The Organization maintains a governance structure aimed at promoting the appropriate treatment of social and environmental issues, monitoring the results achieved and proposing further actions. For this purpose, it has a director responsible for verifying compliance with this Policy, appointed by the Board of Directors. Furthermore, it follows a process that encourages continuous improvement and fosters verification of adherence, including the adequacy and integration of the Organization's regulations to the guidelines set forth in this Policy. This process includes:

- a. The PRSA Senior Group, comprised of Vice-Presidents and Directors representing, at least, the following areas: Risk; Compliance; Corporate; Agribusiness; CFO; Legal; Human Resources; and Communication, Marketing, Institutional Relations and Sustainability. This group meets at least twice a year and is responsible for deciding issues related to the implementation of the PRSA, as well as monitoring the progress of the processes described in this Policy, acting as a liaison between the Executive Committee and other PRSA governance bodies;
- b. The PRSA Working Group, comprised of, at least, representatives of the areas that compose the Senior Group. Among its responsibilities is the monitoring of all the processes contained in the Policy, respecting and not overlapping the other governance bodies that already exist within the Organization;
- c. The Reputational Working Group, coordinated by the Compliance area, which assesses situations with potential reputational risk associated with social and environmental risk, including opinions on customers involved in slave-like work practices, as well as other customers or credit operations deemed sensitive;
- d. The inclusion of controls related to the processes contained in the Policy as part of the Risk Self-Assessment Exercise and Internal Control Environment;
- e. Regular reporting on the progress of Policy enforcement to the Sustainability Committee, an advisory body connected to the Board of Directors, responsible for advising it on matters pertaining to social and sustainable development, including the promotion of sustainable development and other social initiatives;

- f. The definition, whenever possible, of goals related to key aspects of its social and environmental performance, which are reflected in the performance assessment of internal areas and employees involved in the planning and execution of activities related to this Policy;
- g. Supervision of the fulfillment of the commitments undertaken in the PRSA through internal audit plans by the Internal Audit area.

15. Policy Approval and Review

Changes to this Policy must be approved by the Executive Committee and the Board of Directors, upon the recommendation of the Sustainability Committee. A review process will be conducted at least every five years, pursuant to regulatory requirements in effect. Changes may be made in shorter periods according to the needs of the Organization, for example, in cases of:

- a. Need for adaptation arising from applicable laws and regulations or corporate sustainability policies of the Santander Group, consistent with item 3 of this Policy;
- b. Continuous improvement of the Policy itself, including the progress of action plans, results achieved or recommendations by the PRSA Senior Group, Executive Committee, Sustainability Committee and Board of Directors.

16. Disclosure

The Organization uses nationally and internationally recognized standards to report its social and environmental strategy and performance in a transparent manner, considering its several Stakeholders, including the disclosure of risks and management practices related to climate change. By doing so, we seek to encourage the dissemination of knowledge and the adoption of best social and environmental practices.

With regard to the disclosure of this Social and Environmental Responsibility Policy and the practices described herein, Santander shall:

- a. Promote communication through its internal communication vehicles, with content related to the commitments and practices described in this Policy;
- b. Publish this Policy in its regulatory system, available on the corporate intranet;
- c. Make this Policy available on its institutional sustainability website (www.santander.com.br/sustainability) and on the Investor Relations website;
- d. Report on the results and progress related to this Policy in its annual report and other pertinent channels.

[See here the Annual Reports and other reports already published.](#)

ANNEX – LIST OF COMPANIES

The table below contains the list of companies covered by current policy, which was defined based on the criteria established in CMN Resolution N^o. 4327 of April 25th 2014.

COMPANY
BANCO SANTANDER BRASIL S.A.
BANCO BANDEPE S.A.
SANTANDER LEASING S.A. ARRENDAMENTO MERCANTIL
AYMORE CREDITO, FINANCIAMENTO E INVESTIMENTO S.A
SANTANDER CORRETORA DE CAMBIO E VALORES MOBILIARIOS S.A
SANTANDER BRASIL ADMINISTRADORA DE CONSÓRCIO LTDA