

# Santander Consumer Bank AS

**Type of Engagement:** Annual Review

**Date:** 28 March 2025

**Engagement Team:**

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## Introduction

Santander Consumer Bank AS ("SCB" or the "Bank") issued four green bonds<sup>1</sup> between January 2021 and November 2024 and launched green deposits in November 2024 (collectively the "Green Debt Instruments") and raised a total of NOK 2,055.41 million to refinance loans for electric vehicles. In March 2025, SCB engaged Sustainalytics to review the portfolio of eligible green loans financed with proceeds from the Green Debt Instruments (the "Nominated Expenditures") and provide an assessment on whether they meet the use of proceeds criteria and reporting commitments outlined in the Santander Group Green, Social & Sustainability Funding Global Framework (the "Framework").<sup>2</sup> Sustainalytics provided a Second-Party Opinion on the Framework in June 2023.<sup>3</sup>

## Evaluation Criteria

Sustainalytics evaluated the Nominated Expenditures and SCB's reporting based on whether they:

1. Meet the use of proceeds and eligibility criteria defined in the Framework; and
2. Reported on at least one key performance indicator (KPI) for each use of proceeds category defined in the Framework.

**Table 1: Use of Proceeds Categories, Eligibility Criteria and Associated KPIs**

Use of Proceeds Category	Eligibility Criteria	Key Performance Indicators
Transport	<p>2.1. Land Transport</p> <ul style="list-style-type: none"> <li>• Electric vehicles<sup>4</sup> and trains.</li> <li>• Zero direct emissions vehicles not intended for road use, such as cranes and forklifts.</li> <li>• Active mobility, including bicycles and other forms of self-propelled types of transportation.</li> <li>• Vehicles and trains (including hybrids) with less than 50g CO<sub>2</sub> per km or 25g CO<sub>2</sub> per tonne-km (freight) until the end of 2025; starting on 1 January 2026 they will not be included in this Sustainable Finance Classification System.</li> <li>• Hydrogen-powered vehicles.</li> </ul>	<ul style="list-style-type: none"> <li>• Annual GHG emissions reduced/avoided in tonnes of CO<sub>2</sub> equivalent.</li> <li>• Passenger-kilometres (i.e. the transport of one passenger over one kilometre) and/or passengers; or tonne-kilometres (i.e. the transport of one tonne over one kilometre), and savings after the project.</li> <li>• Length (km) of connecting infrastructure supported.</li> </ul>

<sup>1</sup> The Green Debt Instruments include: i) Green Bond I, issued in January 2021 and raised NOK 506.45 million; ii) Green Bond II, issued in November 2021 and raised NOK 250 million; iii) Green Bond III, issued in September 2024 and raised NOK 810.32 million; iv) Green Bond IV, issued in November 2024 and raised NOK 300 million; and v) Green Deposits, launched in November 2024 and raised NOK 168.62 million.

<sup>2</sup> Santander Group, "Santander Group Green, Social & Sustainability Funding Global Framework", (2023), at: <https://www.santander.com/content/dam/santander-com/es/documentos/presentaciones-de-renta-fija/2023/06/prf-santander-gss-global-funding-framework-june-2023.pdf> which is an update of the 2022 Santander Group Green, Social & Sustainability Funding Global Framework (<https://www.santander.com/content/dam/santander-com/en/contenido-paginas/nuestro-compromiso/financi%C3%B3n-de-proyectos-sostenibles/prf-santander-green-bond-funding-framework-february-2022-en.pdf>)

<sup>3</sup> Santander Group, "Santander Group Green, Social & Sustainability Funding Global Framework Second-Party Opinion", (2023), at: <https://www.santander.com/content/dam/santander-com/es/documentos/presentaciones-de-renta-fija/2023/06/prf-santander-group-green-social-and-sustainability-funding-global-framework-second-party-opinion-2023.pdf> which is an update of the 2022 Santander Group Green, Social & Sustainability Funding Global Framework Second-Party Opinion (<https://www.santanderbank.com/documents/330001/11612900/prf-2022-06-20-santander-group-green-social-and-sustainability.pdf/b4da784a-77b1-9b81-1bb8-a7357f97c656>)

<sup>4</sup> Vehicles, wherever referred, include bicycles, scooters, motorbikes, passenger cars, buses, and light commercial vehicles (LCV), as well as forklifts, shuttles, other coach services and public & shared transportation means, among others.

	<ul style="list-style-type: none"> <li>• Development or improvement of railway transport infrastructure.</li> <li>• Development or manufacture of specialized components for green transportation, such as EV batteries.</li> </ul> <p>The primary purpose (more than 25% share) should not involve the transportation of fossil fuel freight.</p> <p>2.2. Water Transport</p> <ul style="list-style-type: none"> <li>• Solar, electric or hydrogen-powered boats.</li> <li>• Motorless sail boats.</li> <li>• Water transport vessels (passenger and freight) that have zero direct (tailpipe) CO<sub>2</sub> emissions.</li> </ul> <p>Cargo ships, oil tankers or vessels should not be involved in transporting more than a 25% share (in mass) coal and oil. Tank containers should not transport fossil fuels or fossil fuels blended with alternative fuels.</p> <p>2.3 Air Transport</p> <ul style="list-style-type: none"> <li>• Electric planes for freight transport or small distances.</li> <li>• The primary purpose (more than 25% share) should not involve the transportation of fossil fuel freight.</li> </ul> <p>2.4. Transport Infrastructure</p> <ul style="list-style-type: none"> <li>• Infrastructure for direct emissions-free transport (e.g. charging points, grid connection upgrades, hydrogen filling stations and electric highways).</li> <li>• Infrastructure for active mobility (e.g. walking, cycling).</li> <li>• Electrified and non-electrified rail infrastructure if a plan for electrification or alternatively powered trains is in place and is consistent with the thresholds set out in section 2.1.</li> <li>• Infrastructure dedicated to low-carbon transport usage if the fleet that uses it meets the direct emissions thresholds set out in sections 2.1 and 2.2.</li> </ul> <p>The construction of parking facilities and roads are excluded. The primary purpose (more than a 25% share) should not involve the transportation of fossil fuel freight.</p>	<ul style="list-style-type: none"> <li>• Reduction of air pollutants: particulate matter (PM), sulphur oxides (SO<sub>x</sub>), nitrogen oxides (NO<sub>x</sub>), carbon monoxide (CO), and non-methane volatile organic compounds (NMVOCs).</li> </ul> <p>Note: Where CO<sub>2</sub> emissions figures are reported, the GHG accounting methodology and assumptions will be referenced.</p>
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## Issuer's Responsibility

SCB is responsible for providing accurate information and documentation relating to the details of the projects, including descriptions, amounts allocated and impact.

## Independence and Quality Control

Sustainalytics, a leading provider of ESG research and ratings, conducted the verification of the use of proceeds from Green Debt Instruments. The work undertaken as part of this engagement included collection of documentation from SCB and review of said documentation to assess conformance with the Framework.

Sustainalytics relied on the information and the facts presented by SCB. Sustainalytics is not responsible, nor shall it be held liable for any inaccuracies in the opinions, findings or conclusions herein due to incorrect or incomplete data provided by SCB.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight of the review.

## Conclusion

Based on the limited assurance procedures conducted,<sup>5</sup> nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the Nominated Expenditures do not conform with the use of proceeds criteria and reporting commitments in the Framework. SCB has disclosed to Sustainalytics that the proceeds from the Green Debt Instruments were fully allocated as of December 2024.

## Detailed Findings

Table 3: Detailed Findings

Framework Requirements	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of projects to determine alignment with the use of proceeds criteria outlined in the Framework.	The Nominated Expenditures comply with the use of proceeds criteria.	None
Reporting Criteria	Verification of projects or assets to determine if impact was reported in line with the KPIs outlined in the Framework.	SCB reported on at least one KPI per use of proceeds category.	None

<sup>5</sup> Sustainalytics' limited assurance process includes reviewing documentation relating to details of projects, as provided by the issuing entity, which is responsible for providing accurate information. These may include descriptions of projects, estimated and realized costs, and reported impact. Sustainalytics has not conducted on-site visits to projects.

## Appendices

### Appendix 1: Allocation Reporting

Table 4: Allocation of Proceeds from the Eligible Projects

Use of Proceeds Category	Project Description	Allocated Amount (NOK million)
Clean Transportation	Electric passenger vehicles	2,055.41
Total Amount Allocated		2,055.41
Total Proceeds Unallocated		0.00
Total Net Proceeds Raised		2,055.41

### Appendix 2: Reported Impact

Table 5: Reported Impact from the Eligible Project

Use of Proceeds Category	Project Description	Number of Projects	Emissions avoided (CO <sub>2</sub> e)
Clean Transportation	Electric passenger vehicles	1 (61,016 vehicles)	3,720

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