




Our approach to build a more responsible bank



By delivering on our purpose to help people and businesses prosper, we grow as a business while helping address society's challenges.

Our agenda

Our ESG agenda	Our Goals	Priority Action Plans
<p>E</p> <p>Support the transition to a low carbon economy</p> 	<p>Deliver our net zero ambition by 2050.</p>	<ul style="list-style-type: none"> → Set targets in our portfolios to align with pathways to net zero while taking into consideration other environmental goals as Nature. → Support customers in accelerating their transition, engaging with them and developing a best-in-class sustainable finance and investment proposition.
<p>S</p> <p>Promote inclusive Growth</p> 	<p>Support inclusive growth across our main stakeholders: employees, customers and communities.</p>	<ul style="list-style-type: none"> → Diverse and inclusive workplace that fosters employees' wellbeing. → Support financial inclusion and financial health promoting access to financial products and services and offering financial Education. → Support communities, with focus on Education, Employability and Entrepreneurship.
<p>G</p> <p>Strong governance and culture across the organization</p> 	<p>Incorporate ESG in behaviours, policies, processes and governance throughout the Group.</p>	<ul style="list-style-type: none"> → Drive culture, conduct and ethical behaviour. → Integrate ESG into strategic processes, Risk Management & rest of relevant units and build capabilities.



We drive our responsible banking agenda through a number of local and international initiatives and working groups, including:

- UNEP Finance initiative
- United Nations Global Compact.
- Glasgow Financial Alliance for Net Zero, Net Zero Banking Alliance and Net Zero Asset Management
- World Business Council for Sustainable Development (WBCSD)
- Banking Environment Initiative (BEI)
- CEO Partnership for Economic Inclusion

Meeting our public targets

Following the UN Principles for Responsible Banking, of which we are a founding member, we have set targets in those areas where we have the greatest potential impact.

	2018	2019	2020	2021	2022	Target
Green finance raised and facilitate cumulative)(EUR) ^A	—————	19 bn	33.8 bn	65.7 bn	94.5 bn	————— 120 bn by 2025 220 bn by 2030
Socially Responsible Investments AuMs				27.1 bn	53.2 bn	————→ 100 bn by 2025
Financially empowered people (cumulative) ^B	—————	2.0 mn	4.9 mn	7.5 mn	11.8 mn ✓	————— 5mn 2023-2025 ^C
Thermal coal-related power & mining phase-out (EUR)				7 bn	5.9 bn	————→ 0 by 2030
Emissions intensity of power generation portfolio ^{D,E}		0.21	0.17			————→ 0.11 tCO ₂ e / MWh in 2030
Absolute emissions of energy (oil & gas) portfolio ^D		23.84				————→ 16.98 mtCO ₂ e in 2030
Emissions intensity of aviation portfolio ^D		92.47				————→ 61.71 grCO ₂ e / RPK in 2030
Emissions intensity of steel portfolio ^D		1.58				————→ 1.07 tCO ₂ e / tS in 2030
Electricity used from renewable energy sources ^F	43% ———→	50%	57%	75%	88%	————→ 100% by 2025
Women in senior positions (%) ^G	20% ———→	22.7%	23.7%	26.3%	29.3%	————→ 35% by 2025
Equal pay gap ^H	3% ———→	2%	2%	1%	1%	————→ -0% by 2025

————— Cumulative target ———→ From... to... ✓ Target achieved

In 2022, we also continued to:

→ Be carbon neutral in our own operations^I.

→ Not provide single-use plastics in our buildings and offices.

→ Have a board of directors with 40-60% women members.

A. Includes Grupo Santander's contribution to green finance: project finance; syndicated loans; green bonds; capital finance; export finance, advisory services, structuring and other products, to help customers transition to a low-carbon economy

B. Unbanked, underbanked and financially vulnerable individuals who receive tailored finance solutions and become more aware and resilient through financial education.

C. To be achieved with access and finance initiatives. Does not include financial education.

D. The figures displayed are the latest available. Given limited data availability from customers to assess financed emission, we plan to provide target progress update in the June 2023 – Climate Finance Report*. Banco Santander's internal calculation methodology has been used, based on the Partnership for Carbon Accounting Financials (PCAF). See more information in section "3.6 Supporting the transition to a green economy".

E. In 2021 Annual report and Climate Finance report, we assessed the 2019 financed emissions of our power generation portfolio, including guarantees and other types of offbalance exposure to our customers that do not entail current funding. Because, according to the PCAF standard, such exposure should not be calculated if its attribution factor is "outstanding", we were over-attributed with our corporate customers' emissions. Therefore, the 2019 baseline emissions intensity has been updated from 0.23 to 0.21. The target and climate ambition remains for this sector.

F. In countries where we can verify electricity from renewable sources at Banco Santander properties.

G. Senior positions make up 1% of the total workforce

H. Equal pay gap based on same jobs, levels and functions.

I. In our core markets (G10)