

Our purpose is to help people and businesses prosper



Our support for society is reflected in three lines of action.



1. We drive economic growth.

- **EUR 352,181 million** to help people buy homes and **EUR 208,276 million** to purchase other goods.^A
- **EUR 346,211 million** to help set up or grow companies (39% to individuals and SMEs).^A
- **EUR 10,937 million** paid to suppliers. **91%** are local and account for 94% of total procurement turnover.
- **EUR 9,664 million** in total taxes paid by the Group. **EUR 10,250 million** in taxes channelled from customers to tax authorities.



2. We help create jobs.

- **212,764 employees**. EUR 13,726 million paid in wages and benefits.
- **53% of our workforce are women**, 31.4% of whom are in senior executive positions. 40% of our board members are women.
- In 2023 we achieved our target of **~0% Equal Pay Gap^B** two years ahead.



3. We tackle global challenges.

- **EUR 20.2 billion^C** in green finance raised and facilitated and **EUR 67.7 billion** assets under management in Socially Responsible Investment.
- **1.8 million** new people financially included and a total of **1.2 million** underbanked entrepreneurs supported through EUR 1,172 million in credit disbursed.
- **EUR 174 million** invested in communities, including **105 million** to promote higher education, employability and entrepreneurship, benefitting **2.7 million** people.

A. Credit stock as of 31 December 2023.

B. The year-end figure is 0.44%. Having met the target set the Group has set itself the objective of maintaining a EPG in line with best market practices.

C. Preliminary data as final League Tables for 2023 were not yet available at date of editorial closing. This information will be updated to year end in the next Climate Finance Report.

Our strategy to build a more responsible bank



Our sustainability strategy focuses on issues that are material to Santander, and where we can have the biggest impact. It aims to help the business grow, be aligned to our stakeholders' expectations, and make Santander more resilient through strong risk management, robust data quality and privacy, transparency, a vibrant culture and clear governance.

Ambition

Action

E

Support the transition to a low carbon economy



- Support and engage with customers in accelerating their transition, and develop a best-in-class sustainable finance and investment proposition.
- Progress with decarbonizing our portfolios to align to net zero by 2050, while considering other environmental goals.

S

Promote inclusive Growth



- Promote employees' wellbeing and equal treatment and opportunity for all.
- Support financial inclusion by promoting access to financial products and services and financial health, including financial literacy.
- Foster customer information transparency and data privacy.
- Support education, employability and entrepreneurship.

G

Strong governance and culture across the organization



- Drive culture, conduct and ethical behavior, doing everything the Santander Way: Simple, Personal and Fair.
- Continue integrating ESG in governance and our core activities, and enhancing capabilities across teams including business, risk management and data reporting.



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	2023	Target
Green finance raised and facilitated (cumulative)(EUR bn) ^A		19 bn	33.8 bn	65.7 bn	94.5 bn	114.6 bn	120 bn by 2025 220 bn by 2030
Socially Responsible Investments AuMs (EUR bn)				27.1 bn	53.2 bn	67.7 bn	100 bn by 2025
Electricity used ^B from renewable energy sources ^C	43%	50%	57%	75%	88%	97%	100% by 2025
Thermal coal-related power & mining phase-out (EUR bn)				7 bn	5.9 bn	4.9 bn	0 by 2030
Emissions intensity of power generation portfolio ^{C,D}		0.21	0.17	0.19			0.11 tCO ₂ e / MWh in 2030
Absolute emissions of energy (oil & gas) portfolio ^C		23.84	22.58	27.43			16.98 mtCO ₂ e in 2030
Emissions intensity of aviation portfolio ^C		92.47	93.05	97.21			61.71 grCO ₂ e / RPK in 2030
Emissions intensity of steel portfolio ^C		1.58	1.40	1.36			1.07 tCO ₂ e / tS in 2030
Emissions intensity of auto manufacturing portfolio			149	138			103 gCO ₂ /vkm in 2030
Emissions intensity of auto lending portfolio ^E					137		75-89 gCO ₂ e/vkm in 2030
Women in senior executives positions (%) ^F	20%	22.7%	23.7%	26.3%	29.3%	31.4%	35% by 2025
Equal pay gap ^G	3%	2%	2%	1%	1%	c. 0%	~0% by 2025
Financially included people (cumulative) ^H						1.8 mn	5mn between 2023-2025
Investment to foster education, employability and entrepreneurship						105 mn	€400m between 2023-2026

Cumulative target
 From... to...
 Commitment Achieved

In 2023, we also continued to:

- make progress on aligning key portfolios, including disclosure of emissions for UK Mortgages and Agriculture in Brazil.
- be carbon neutral in our own operations^J in our core markets.
- have 40-60% women members on the board of directors.
- keep our offices and buildings in our core markets free of single-use plastics.

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. Preliminary data as final League Tables for 2023 were not yet available at date of editorial closing; data will be updated to year end in the next Climate Finance Report.

B. In countries where we can verify electricity from renewable sources at Banco Santander properties. It considers the 10 main countries in which we operate.

C. 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 upcoming 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 6.Supporting the green transition.

D. 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 off-balance 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 restated from 0.23 to 0.21. The target and climate ambition remains for this sector.

E. Consumer lending for acquisition of passenger cars in Europe, covering a significant majority of the exposure.

F. Senior executive positions make up 1% of the total workforce

G. Equal pay gap based on same jobs, levels and functions. The year-end figure is 0.44%. Having met the target set (two years ahead of schedule), the Group has set itself the objective of maintaining a pay equity ratio in line with best market practices.

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

I. Additional 5 million of included people, considering unbanked, underbanked and financially vulnerable individuals who receive tailored finance solutions relates to access and finance.

J. Scope 1 and 2 emissions and scope 3 emissions from employee commuting and business travel.It considers wholly owned companies in Argentina, Brazil, Chile, Germany, Mexico, Poland, Portugal, Spain, the United Kingdom and the United States.

Partnerships to promote our sustainability agenda

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



UNEP Finance Initiative

We are an active member of UNEP FI and a founding signatory to the United Nations Principles for Responsible Banking.



World Business Council for Sustainable Development (WBCSD)

As members of WBCSD, in 2023, we continued participating in the Banking for Impact on Climate in Agriculture (B4ICA) initiative.



United Nations Global Compact

We've been part of the Global Compact network since 2002 and a member signatory of the United Nations Global Compact's gender equality programme since 2020.



Banking Environment Initiative (BEI)

We continued to participate in the Bank 2030 initiative, aimed at building a roadmap for the banking industry to help society in the transition towards a low-carbon economy.



Glasgow Financial Alliance for Net Zero, Net Zero Banking Alliance and Net Zero Asset Management

In support of our net-zero ambition, we joined the Glasgow Financial Alliance for Net Zero, Net Zero Asset Managers and were co-founders to the Net Zero Banking Alliance. Within GFANZ, we co-led the Net Zero Public Policy and their call to action launched in October.



CEO Partnership for Economic Inclusion

Since 2018 we have been part of a private-sector alliance for financial inclusion, led by Queen Maxima of the Netherlands, Special Representative of the United Nations, to promote inclusive financing for development. The Partnership has concluded by end of 2023.

Other international and local initiatives that Santander supports (non-exclusive)

- UN Women's Empowerment Principles
- The Valuable 500
- UN Principles for Responsible Investment
- CDP
- UN Global Investors for Sustainable Development (GISD) Alliance
- Green Recovery Alliance of the European Union
- Equator Principles
- Partnership for Carbon Accounting Financials (PCAF)
- Round Table on Responsible Soy
- Working Group on Sustainable Livestock
- Climate Leadership Council
- The Wolfsberg Group
- United For Wildlife's Financial Taskforce against the illegal wildlife trade
- United Nations Office on Drugs and Crime's (UNODC) Private Sector Dialogue on the Disruption of Financial Crimes Related to Environmental Crimes