

Banco Santander and the SDGs

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Tackling global challenges



The **2030 Agenda for Sustainable Development**, adopted by United Nations Member States in 2015, provides a **shared blueprint for peace and prosperity**. At its heart are the 17 Sustainable Development Goals (SDGs), which consist of 169 targets and 231 indicators.

Ending poverty and other social issues go hand-in-hand with improving health and education, reducing inequality, spurring economic growth, tackling climate change and working to preserve our oceans and forests.

Banco Santander has an important role to play.

We disclosed our first sustainability report in 2002. Since 2015, our annual report has detailed our efforts to support the SDGs.

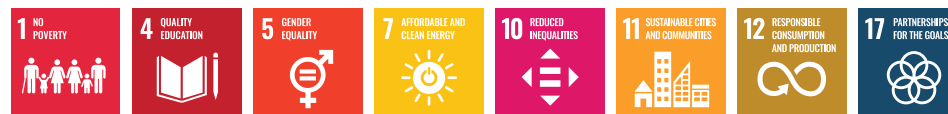
This document presents results from an analysis of Santander's contribution to SDGs.

The data in this report refer to the 2020 financial year, unless otherwise indicated.

The SDGs on which Banco Santander has the greatest impact



Other SDGs on which Banco Santander also has an impact

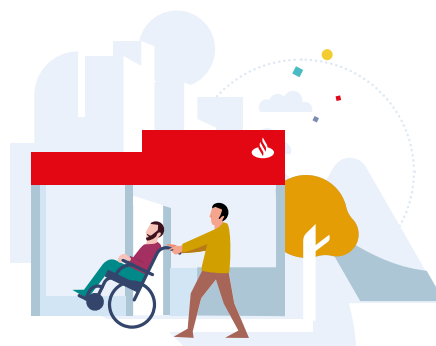


Our purpose is to help people and businesses prosper



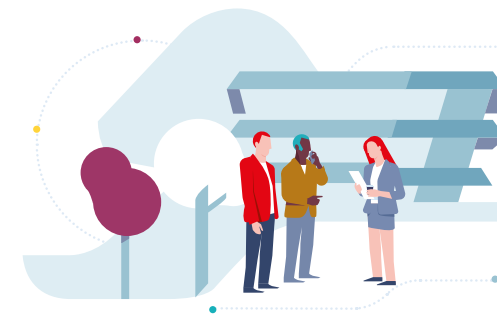
Work towards the Paris Agreement and a low-carbon economy

- Embedding a climate strategy that plays a part in achieving the Paris Agreement goals
- Helping our customers transition to a low-carbon economy
- Minimizing our environmental footprint and becoming carbón neutral by offsetting our internal emissions



Have a best-in-class, inclusive proposition to maximize our social impact

- Creating a workplace that attracts and retains diverse talent
- Fostering financial inclusion and empowerment offering value proposition that meet the needs of our broad customer base
- Investing in our communities through Santander Universities and other programmes



Do things the right way through clear and robust processes

- Promoting our culture, the Santander Way, and ensuring sound corporate governance and risk management
- Applying best-in-class policies
- Implementing responsible practices towards customers and suppliers

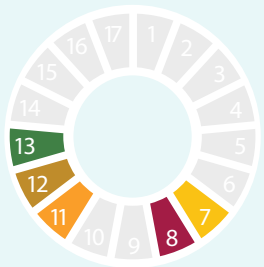
The SDGs promoted by our lines of action



The work we do with all our stakeholders is helping make communities more sustainable.



Environmental



What To promote the Paris Agreement and a low-carbon economy

Our ambition

→ Net-zero emissions by 2050.

Our commitments

- Ending financial services to customers with more than 10% of revenues coming from thermal coal
- Eliminating exposure to thermal coal mining by 2030.
- Reduce emission intensity of power generation portfolio from 0.23 tCO₂/MWh to 0.11 tCO₂/MWh by 2030.
- Mobilize or raise EUR 120bn in green finance by 2025 and EUR 220bn by 2030.
- 100% electricity from renewable sources by 2025

See the Responsible Banking chapter in our [2020 Annual Report](#) or our [2020-june 2021 Climate Finance Report](#) for more details on our strategy to aid the transition to a green economy.

How



Aligning our portfolio to meet the Paris Agreement goals

- We've joined the **Net-Zero Banking Alliance (NZBA)** and the **Net Zero Asset Managers** initiative. We've also have the ambition to becoming **net zero by 2050** and set our first decarbonization targets.
- We've analysed the current and expected emissions of our customers in the most climate-material sectors.
- We've disclosed **our 2050 net-zero roadmap**, that follows NZBA criteria.



Supporting the transition to a low-carbon economy

- We're putting together a complete green finance proposition
 - Renewable energy financing
 - Green and ESG loans
 - Green book for retail and commercial banking
- We've disclosed **€41.7bn** in green finance mobilized since 2019.¹
- We've been the **top bank in financing renewable energy** for the last 10 years.



Minimizing our environmental impact

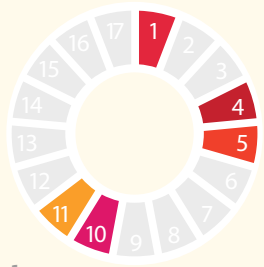
- We're putting together a complete green finance proposition
 - Renewable energy financing
 - Green and ESG loans
 - Green book for retail and commercial banking
- We've disclosed **€41.7bn** in green finance mobilized since 2019.¹
- We've been the **top bank in financing renewable energy** for the last 10 years.
- We've disclosed **74%** electricity from renewable sources.¹
- From 2020 Carbon neutral by investing in projects to offset our emissions.
- Since 2011, we've used strict criteria to draw up energy efficiency and sustainability plans that ensure we keep our environmental impact to a minimum
 - 21%** Energy consumption
 - 61%** Atmospheric emissions
 - 75%** Paper consumption

The SDGs supported by our environmental agenda:



1. As at end H1'21

Social



What
To have a best-in-class inclusive proposition to maximize our social impact

Our commitments

- 30% of senior manager roles held by women by 2025
- No equal pay gap by 2025
- 10 million people financially empowered between 2019 and 2025
- 325,000 scholarships between 2019 and 2021
- 4 million people helped between 2019 and 2021

See the Responsible Banking chapter in our [2020 Annual Report](#) for more details on our strategy to maximize our social impact.

How



Creating a workplace that attracts and retains diverse talent

Our commitment to a **diverse and inclusive environment** is a cornerstone of our corporate strategy.

→ We prioritize equal pay between men and women.

25.1% of senior managers are women.¹
53.7% of employees are women

Equal pay gap: **1.5%**



Fostering financial inclusion and empowerment

Santander Finance for All is our initiative to help people access the financial system; support micro-businesses; and provide financial education.

→ More than EUR 2bn disbursed in loans to micro-entrepreneurs through our microfinance programmes.

→ We also support our customers in exceptional times, like Covid-19.

6 million people financially empowered since **2019**.¹

We've **supported customers across our footprint**, lending an average €1bn a day to SMEs (and approving payment holidays on 12% of our loan book)



Supporting communities

Santander Universities, is a unique, pioneering global programme with educational, entrepreneurial and employability opportunities.

→ We are one of the private companies that most supports higher education in the world.

More than **EUR 2bn** allocated and more than **680,000** scholarships and grants awarded since its launch.¹

278,000 scholarship and grants since 2019. And **4.8 million** people helped through community programmes.

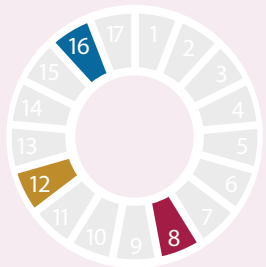
In addition, we've invested more than 800 million since 2002 in initiatives on child education, well-being and culture in the communities we serve.

The SDGs supported by our social agenda:



1. As at H1'21

Governance



What
To be simple personal and fair in everything we do

Our commitments

- Clear and robust processes
- An independent and diverse board
- Transparent disclosure
- ESG criteria in remuneration

See the Responsible banking chapter in our [2020 Annual Report](#) for more details

How



Promoting our culture, the Santander Way, and ensuring sound corporate governance and risk management



Applying best-in-class policies



Implementing responsible practices towards customers and suppliers

- The **Santander Way** is our purpose and how we do business - *Simple, Personal and Fair*.
 - Our corporate governance model upholds the highest standards, and our board of directors has the capabilities and international diversity to deliver on our strategies.
 - *Risk pro* is our risk culture in which everyone is responsible for managing risk.
 - Our executive remuneration bonus scorecard includes our responsible banking public commitments as a qualitative metric.
- We're guided by principles, frameworks and policies to ensure we act responsibly in all we do.
 - Our General code of conduct and Corporate culture policy set out our ethical principles.
 - Our General sustainability policy, together with our Environmental, social and climate change risk management and Human rights policies, outlines our principles for inclusive and sustainable banking.
 - Our policies on consumer protection, anti-corruption, fraud, anti-money laundering, cybersecurity, tax, third-party certification, financing of political parties, contributions for social purpose, support our responsible banking strategy.
- Being responsible also means offering our customers products and services that are *Simple, Personal and Fair*, while ensuring the best customer service.
 - We've a comprehensive framework of commercialization of product and services and consumer protection which includes guiding principles for sales force remuneration, over-indebtedness, and vulnerable customers.
 - Suppliers also have an impact on society and the environment. Our third-party certification policy includes ESG factors and principles of responsible conduct for suppliers.

91% of employees say they can contribute to our purpose¹

>60% independent directors; 40% women directors

93% of employees say they can identify risks in their job¹

81% of employees say they can report unethical conduct without fear of retaliation¹

We pay our fair share of taxes in the jurisdictions where we operate.

68% of complaints are resolved in less than 15 days. 90% in less than 30 days.

96.5% of our total services are locally sourced

The SDGs supported by our governance agenda:



1. Global Engagement Survey 2021.

International initiatives we support

Santander is a founding signatory of the Principles for Responsible Banking and the Net Zero Banking Alliance. We also support a broad number of international, regional and local initiatives.



PRINCIPLES FOR RESPONSIBLE BANKING



The SDG our support for international initiatives promotes:



