

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.

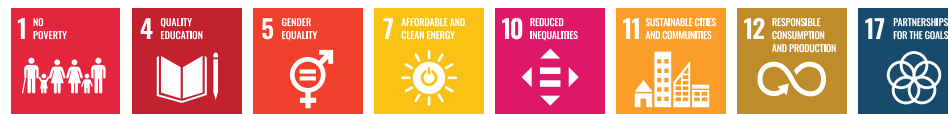
This document presents results from an analysis of Santander's contribution to SDGs.

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

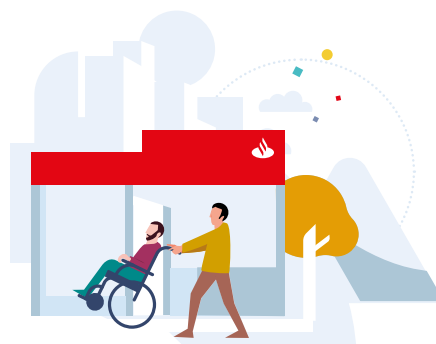


By delivering on our purpose to help people and businesses prosper, we grow as a business while helping address society's challenges.



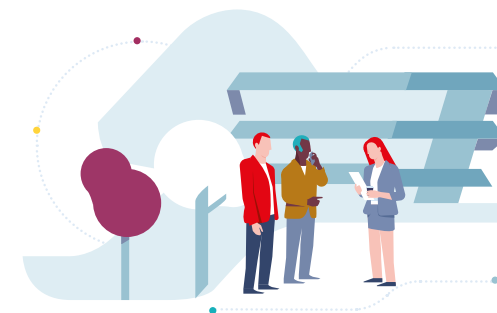
Work towards the Paris Agreement and a low-carbon economy

- Aligning our portfolio to meet the Paris Agreement goals
- Supporting 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 local 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 the highest standards of conduct and ethical behaviour
- Listening to our stakeholders

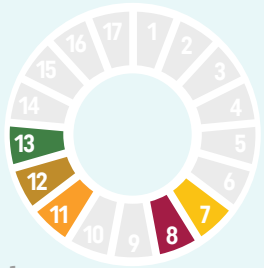
The SDGs promoted by our lines of action



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

- Thermal coal-related power & mining phase out, from 7bn euros to 0 exposure by 2030
- Reduce emission intensity of power generation portfolio from 0.23 tCO₂/MWh to 0.11 tCO₂/MWh by 2030.
- Reach EUR 100bn in sustainable AUM by 2025.
- Mobilize or raise EUR 120bn in green finance by 2025 and EUR 220bn by 2030.
- 100% electricity from renewable sources by 2025
- Eliminate unnecessary single-use plastics in corporate buildings and branches ✓

See the Responsible Banking chapter in our [2021 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 established our 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 and disclosed **our 2050 net-zero roadmap**.

○ We are developing **decarbonization action plans**, defining and implementing the risk and business levers needed to deliver on our portfolio net zero targets.



Supporting the transition to a low-carbon economy

○ We're building on our existing **Green and Social Book** (launched in 2019), we continue to reinforce our sustainable finance proposition with dedicated purpose lending and sustainability-linked loans.

→ We created our **sustainable finance classification system (SFCS)**, with consistent standards to label the Group's assets green, social or sustainable

○ **€65.7bn** in green finance mobilized since 2019.¹

27bn euros in sustainable AuM in 2021



Minimizing our environmental impact

○ We've implemented **Certified environmental management systems and LEED Platinum and LEED Gold certifications**.

→ 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

-26%
Energy consumption

-88%
Atmospheric emissions

-78%
Paper consumption

○ **75%** electricity from renewable sources.¹

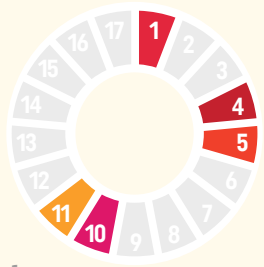
From 2020 Carbon neutral by investing in projects to offset our emissions.

The SDGs supported by our environmental agenda:



1. As at end 2021

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 [2021 Annual Report](#) for more details on our strategy to maximize our social impact.

How



Creating a workplace that attracts and retains diverse talent

We focus on creating a **diverse and inclusive workplace** that promotes employee experience and well-being.

We ranked for the third year in a row among the world's 25 Best Workplaces by Great Place To Work.

26.3% of senior managers are women.¹
54% of employees are women

Equal pay gap: **1%**



Fostering financial inclusion and empowerment

We believe we can help more people prosper and enjoy the benefits of growth by empowering them financially.

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

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

More than EUR 2bn disbursed in loans to microentrepreneurs through our microfinance programmes



Supporting communities

We have been committed to higher education for 25 years. **Santander Universities** is a unique global programme that supports education, entrepreneurship and employability.

We also promote local initiatives and programmes that strengthen child education and the well-being of the communities we serve.

More than **EUR 2.1bn** allocated and more than **800,000** scholarships and grants awarded since its launch (**388,000** since 2019).¹

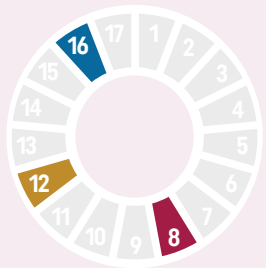
6.1 million people helped through community programmes.

The SDGs supported by our social agenda:



1. As at 2021

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 [2021 Annual Report](#) for more details

How



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



Applying the highest standards of conduct and ethical behaviour.



Listening to our stakeholders



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.

84% of employees said they felt proud to work for Santander and are motivated to build a bank that is even more Simple, Personal and Fair¹

66.7 or **>65%** independent directors;
40% women directors



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.

We train our employees on the **GCC, the fight against bribery and corruption, tax evasion, etc.**

We developed **guiding principles** for sales force remuneration, **over-indebtedness, and vulnerable customers.**



We listen and respond to the demands of employees, customers, shareholders, investors and society as a whole.

We keep pace with new regulations and best practices in ESG.

Our procurement processes includes **ESG criteria and principles of responsible conduct for suppliers.**

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

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:



