



Banco Santander and the SDGs

March 2024



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.

Our sustainability strategy supports our purpose to help people and businesses prosper.

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.

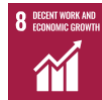
Promote inclusive growth

- 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.

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.

The SDGs promoted by our lines of action



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

Environmental

What

Support the transition to a low carbon economy

Our ambition

→ Net-zero carbon emissions by 2050.

Our targets

- EUR 120bn in green finance by 2025 and EUR 220bn by 2030.
- EUR 100bn in Socially Responsible Investment AuMs by 2025.
- Thermal coal-related power & mining phase out.
- Decarbonize our portfolios of power generation, energy (oil & gas), aviation, auto manufacturing, auto lending and steel.
- 100% electricity from renewable sources by 2025.²
- Single-use plastics free since 2021 in our core markets' buildings and branches.
- Carbon neutral in our own operations³, since 2020.



See the Responsible Banking chapter in our [2023 Annual Report](#) or our [2021-june 2022 Climate Finance Report](#) for more details on our strategy to aid the transition to a low carbon economy.

How



Aligning our portfolio with the Paris Agreement goals

Since 2021, we are a founding member of the **Net-Zero Banking Alliance (NZBA)** and the **Net Zero Asset Managers initiative**. We also established our ambition to **becoming net zero carbon emissions by 2050** and have already set decarbonization targets for high emitting sectors.

Key progress¹

We set **two additional alignment targets** for auto manufacturing and auto lending and published **additional financed emissions of two relevant portfolios**, mortgages in the UK and agro in Brazil. On top of working on the sectors with targets in place.



Supporting our customers in the transition

We continue to **reinforce our sustainable finance and investment propositions** with dedicated purpose lending and sustainability-linked loans and socially responsible investment.

EUR 115.3bn in green finance mobilized since 2019.⁴

EUR 67.7bn in Socially Responsible Investment AuMs.

Updated Sustainable finance and investment classification system (SFICS), with consistent standards to label the Group's assets green, social or sustainable.



Reducing our environmental impact

We've been measuring our environmental footprint since 2001. Since 2011, our **energy efficiency and sustainability plans** helped us cut electricity consumption, CO₂e emissions and paper consumption.

97% electricity from renewable sources.²

69% cut in CO₂e emissions since 2011.

83% reduction in paper consumption since 2011.



Embedding climate in risk management

We're gradually **embedding climate and environmental factors in our risk management**.

We continued to embed environmental and climate factors in policies, risk appetite and risk management.

The SDGs supported by our environmental agenda:



1. All data as of 2023 unless stated otherwise.

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

3. 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.

4. Data according to the League Tables for 2023

Social

What

Promote inclusive growth

Our targets

- 35% of women in senior executive positions by 2025.
- c.0% Equal pay gap achieved 2 years ahead.
- Financial Inclusion (additional 5 million people between 2023-2025): initiatives from access and finance.
- EUR 400Mn between 2023-2026 to foster education, employability and entrepreneurship.



See the Responsible Banking chapter in our [2023 Annual Report](#) for more details on our strategy to maximize our social impact.

How



With a diverse and inclusive workplace that fosters employees' wellbeing

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

Key progress¹

31.4% of women in senior executive positions.²

54% of employees are women.

Equal pay gap: **c.0%**.



Supporting financial inclusion and financial health

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

Financial inclusion is our initiative to help people access the financial system and support financially vulnerable individuals and SMEs with tailored solutions for their needs.

During 2023 we have reached the amount of **1.8 million** people being financially included.

EUR 1.2bn disbursed in loans to micro entrepreneurs through our microfinance programmes during 2023.



Support communities, with focus on Education, Employability and Entrepreneurship

Santander Universities is a unique global programme that supports education, employability and entrepreneurship (up to EUR 2.3 billion invested in 27 years).

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

In 2023 we have invested **EUR 105 million** to support Education, Employability and Entrepreneurship and helped **498,930 people and businesses**.

Invested **EUR 69 million** to help **2.2 million** people through our community programmes.

The SDGs supported by our social agenda:



1. Data as of 2023 unless stated otherwise

2. Senior executive positions make around 1% of total workforce

Governance

What

Strong governance and culture across the organization

Our approach

- We listen and respond to the demands of employees, suppliers, customers, shareholders, investors and society as a whole.
- We keep pace with new regulations and best practices in ESG.
- We have available channels to attend our stakeholders.
- We foster our culture and ensure we do everything on a Simple, Personal and Fair (SPF) Way.



See the Responsible banking chapter in our [2023 Annual Report](#) for more details.

How



Drive culture, conduct and ethical behavior

The Santander Way is Santander's corporate culture which defines our values (Simple, Personal and Fair), our corporate behaviors (T.E.A.M.S), our leadership principles and our robust risk culture (Risk Pro) to guide us every day.

Our **General code of conduct (GCC) and Corporate culture policy (CCC)** set out our ethical principles and the standards to ensure consistent group behavior.

Canal Abierto is our global ethical, anonymous and confidential channel for reporting misconduct. It protects whistleblowers by expressly prohibiting reprisals or any negative consequence against them.

Our product governance and consumer protection area oversees the requirements applicable to the product life cycle to offer customers products and services that are SPF.



Integrate ESG into strategic processes, Risk Management & rest of relevant units and build capabilities

Our corporate governance model upholds the highest standards.

Our reward schemes include ESG criteria both in short and long term.

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

Specific teams devoted to ESG in business, risk or Financial Accounting.

Responsible Banking model that identifies roles and responsibilities across the organization.

ESG training for all employees.

Key progress¹

8,4 employee engagement (2023 Your Voice survey).

Canal Abierto received 3,611 reports relating to violations of our GCC (60,4%) with key concerns over workplace harassment, internal fraud, product marketing, and anti-money laundering.

We evolved the complaints management procedure to the customer service and dissatisfaction management policy, to align it with the SPF strategy and with the global businesses operating model.

66,7% independent directors and **40% woman** director in board composition.

ESG scorecards in long-term (20% weight) and short-term (5% weight) incentives.

The SDGs supported by our governance agenda:



1. Data as of 2023 unless stated otherwise

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.



The SDG our support for international initiatives promotes:



