

Santander launches its first socially responsible bond for retail investors

- The bank's customers will be able to invest in a product with a positive impact on society; the funds will be used to finance renewable energy projects
- The minimum investment is €5,000, targeting customers with at least two years' experience in risk products from the following segments: companies, Select (high income), private banking, micro enterprises, financial intermediaries and private institutions.

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Santander has cemented its leadership in sustainable investment in Spain by launching its first ESG bond for retail customers. The product has a 90% guaranteed principal and presents customers with the chance to invest in profitable projects that have a positive social impact, with as little as €5,000.

With a three-year maturity, the bond's yield is pegged to the performance of the Eurostoxx 50 ESG-X index. The money raised from the product, developed by Santander Corporate & Investment Banking (CIB) and marketed through the bank's branch network, will fund Santander-managed projects like wind and solar farms that meet its socially responsible criteria.

The product is part of the bank's global sustainable emissions plan, which will finance green, social and sustainable activities under its responsible banking initiatives. An annual report will detail the use of the funds and their impact.

Santander is firmly committed to sustainability. Its goal is to facilitate mobilisation of €120 billion in green financing by 2025 and €220 billion by 2030. The bank recently added an ESG advisory team to its Santander CIB division and is stepping up sustainable investment through Santander Wealth Management. It is also developing other solutions such as the sustainability seal for SMEs, launched this month.

The bank issued its first green bond for institutional investors in October 2019 in a €1 billion transaction. According to the report published today, 32 solar and photovoltaic projects with an installed capacity of more than 6,300 megawatts (MW) were financed through the deal. Based on Santander's stake in the financing of these projects, emissions will be cut to the equivalent of 700,000 homes' yearly carbon dioxide (CO²) consumption. In June, Santander issued another green bond – a senior non-preferred bond – that raised €1 billion.

The bank has pledged to be carbon-neutral in 2020 by offsetting all the emissions generated by its own operations. It will also remove unnecessary single-use plastics from its branches and corporate buildings by 2021 and use 100% of the electricity from renewable sources in all countries by 2025 in those countries where it is possible to certify the source of the electricity

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