

Dear Mr Frijns,

Thank for your letter dated 29 July 2019 and your continued interest in the Principles for Responsible Banking.

As you are aware, the Principles are ambitious and aspirational, and they contain a strong underlying commitment to transparency, accountability and impact. Their purpose is to provide signatory banks with guidance and a framework to support bank's approach to addressing sustainable development across its entire business.

Banks that sign up to the Principles are taking a leading step forward towards aligning their operations with society's goals and supporting their customers, clients, employees and investors in adopting sustainable practices that create measurable, significant and positive impacts to realize the UN Sustainable Development Goals and the Paris Agreement on climate change. This includes strong underlying requirements and mechanisms around transparency and accountability which require banks to manage what matters most by setting targets and publicly reporting back to stakeholders on progress made.

Development of the Principles included a six-month consultative process, in which more than 500 stakeholders provided valuable feedback, including BankTrack. As a result, more than 100 banks are now poised to become signatories at the formal launch of the Principles in September 2019. With this high number of initial banks committed to supporting the achievement of the Sustainable Development Goals and the Paris Agreement for climate change, through the Principles for Responsible Banking, significant impacts will be realized around the globe.

Banco Santander has taken initial steps towards the implementation of the Principles for Responsible Banking. We have used the accountability reporting framework set within the Principles to provide an initial view of how is Banco Santander approaching each of the requirements set forth within the accountability framework. This information is available in the 2018 Stakeholder engagement and material concerns report that you can find in our website ([link](#) - see pg24 onwards). The table responds to each required item and provides references within our disclosures to where this information can be found. Banco Santander is committed to continue taking steps towards further implementing the Principles for Responsible Banking and reporting on progress made.

Given the urgency of the recognized need to transform the business world, signatory banks are expected to start implementing the Principles immediately after signing up. However, given the diversity of the banks around the world that are expected to adopt the Principles, flexibility is needed to allow progress at the appropriate pace for the markets in which each bank operates. This approach allows for future signatory banks to benefit from the practical experiences of the Founding Signatory banks as Santander, as well as from other stakeholders such as research centers and experts, through the network community created through the UNEP Finance Initiative.

After the launch, we look forward to continue sharing with you and our other stakeholders, in our public reporting as per the timeline and requirements of the Principles and their implementation Framework, the targets and the subsequent progress we will achieve towards these. We encourage you and our other stakeholders to review this public reporting, so that you are aware of the impacts we will be working to realize.

Thank you again for your interest in this important initiative, the Principles for Responsible Banking, and your positive contribution to the public consultation process that contributed to its development.

Your sincerely,

Federico Gómez

Group VP. Head of Sustainability

Santander

Edificio Pereda

Ciudad Grupo Santander

Avenida de Cantabria, s/n.

28660 Boadilla del Monte. Madrid