



## **Santander Chile holds ESG talk with investors and becomes first Chilean bank to produce their own renewable energy**

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**During the event, Santander Chile announced that the entity will be the first local bank to build solar plants for its own energy source**

SANTIAGO, Chile, Nov. 17, 2021 (GLOBE NEWSWIRE) -- For the second year in a row, Santander Chile held a virtual event with investors, where the advances of the Bank were explained by Claudio Melandri, President of the Bank, and its CEO, Miguel Mata. In this opportunity, the focus was ESG themes (Environmental, Social, and Governance), highlighting the efforts Santander has done to help its clients transition towards a greener economy and how it has reduced its own impact on the planet.

### **The road forward**

The Bank is currently preparing its first ESG Framework which should be launched soon. Under this mechanism, the bond issues will have an official seal as ESG bonds. This framework will include a Second Party Opinion to ensure that funds will be allocated to projects, complying with the principles of the International Capital Markets Association. Initially, US\$1.5 billion in initiatives have been identified that will be financed through this program. The ESG bonds will be linked to energy efficiency, renewable energy, pollution reduction, financial inclusion, and social projects.

Miguel Mata announced the ten responsible banking commitments that we have established to meet in the coming years:

1. To be the best company to work for in Chile: we are currently the number 1 company in the Great Place To Work ranking in 2020 in companies with more than 1,000 workers and we have the Top Employer certification. We seek to maintain this leadership position.
2. Increase the percentage of women in managerial positions: currently 25% of managers are women and our goal is to reach 30% by 2025.
3. Eliminate the gender pay gap: we currently have a 3.1% gender pay gap and our goal is to eliminate it by 2025. The Equal Conciliation Seal, delivered by the Ministry of Women and Gender Equity, gives us a path and an official commitment to advance on this issue.
4. Work to financially empower people: between 2019 and 2020 we contributed to financially empower 921,779 people. Through our financial products such as Life we want to financially empower more than 2 million people by 2025.
5. Grant green financing to our clients: We have defined a goal for 2025 to finance our own projects and those of our clients for at least US\$ 1.5 billion through our ESG framework.
6. Increase energy from renewable sources: 28% of our energy comes from these types of sources. In addition, we are committed to ensuring that 100% of the electrical energy we use comes from renewable sources.
7. Mitigate 100% of our carbon footprint and gradually reduce it: since 2019 we mitigate 100% of our carbon footprint. We will also continue to make progress in measuring the carbon footprint of our loan portfolio and we join the Group's goal of becoming carbon neutral by 2050. Regarding our own operations, the goal is to be carbon neutral by 2025, without the need to offset the footprint with the purchase of carbon credits.
8. Eliminate single-use plastics in our operation: This year we will eliminate 100% of single-use plastics.
9. Deliver scholarships, internships and entrepreneurship programs: in 2020 we awarded 2,951 scholarships for education and entrepreneurship at the local level. Our goal is to award 13,541 scholarships between 2019 and 2024.
10. Support people through our community contribution programs: during 2020 we supported 103,792 people through our education programs and other support measures for the benefit of people in vulnerable situations. In social matters between 2019 and 2024 we hope to help 493,852 people through our community programs.

We also want to continue generating ROE at 17% -19% with core capital levels above 10% in BIS III.

During the event, there was also a deep dive into each theme of Environmental, Social, and Governance and how the Bank has integrated these into its strategy:

### **Environmental**

The financial solutions linked to ESG criteria has been one of the value added offers the Bank has put forth to companies that seek to advance in these themes. Through different financing alternatives, Santander Chile has driven the local market to move towards a greener economy. We have

been part of important projects such as Desaladora Spence, Cerro Dominador, and other projects with ESG criteria that are linked to the achievement of ESG KPIs. All structured projects above US\$10 million pass through the evaluation of the Equator Principles, a strict risk policy for restricted activities.

Santander Verde is a comprehensive value proposition for our clients that promotes various eco-friendly products such as:

- A Green Mortgage, where homes or real estate projects with sustainable construction certificates are financed at a preferential rate and offset their carbon footprint.
- Consumer credit, focused on reconditioning and energy efficiency projects. This credit provides a preferential rate to the client and also the bank compensates 1 ton in Carbon Bonds to mitigate the impact of the product.
- Carbon footprint offset program, where clients can choose to offset their footprint through the purchase of carbon bonds or choose to make a direct contribution to environmental projects in Chile.
- Electric car loans, with the launch of a credit line for electric cars sold by SKBergé and a discount for electric cars sold by VoltEra.
- PYME Verde is an initiative in conjunction with Sistema B that is supporting some 300 small companies to measure their ESG footprint and thus be able to start a certification process.
- Santander Asset Management Green Mutual Fund, which allows investment in companies committed to the environment, society and good corporate governance practices.

During the ESG Talk, Claudio Melandri announced that the entity will be one of the first large companies in Chile and the first local bank in producing its own renewable energy. An agreement was signed with Gasco Luz and Fourtrees Capital where six solar plants of 300kW each will be built in the Coquimbo, Valparaiso and Metropolitan Region and will be fully operational by 2022. The contract consists of a 10-year lease of these solar plants that are already under construction for an annual payment of US\$240,000.

100% of the energy produced in these plants will be used for energy consumption within the Bank, thus reducing its carbon footprint by 1,380 tons each year. In this manner, the energy generated in these plants will be incorporated to the national grid, permitting Santander to compensate its consumption through this contribution.

These energy plants are in line with the UN Sustainable Development Goals. In effect, in 2019 the Santander Group set as an objective to have 100% of its energy come from renewable resources in 2025 in countries where it was possible to certify the energy resource. In addition, the loan book will also be carbon neutral by 2050, in line with the Net Zero Banking Alliance, which Santander adheres to.

## **Social**

In the Social dimension, we are focused on the contribution towards a more sustainable development for communities. The employees of the Bank are important stakeholders, and the Bank has made many efforts to promote the development of its employees, so they can fully deploy their potential and contribute to the sustainability of the organization. In 2020, we achieved first place in Great Place to Work for companies with over 1,000 employees. In 2021, we became the first bank to receive the seal "Iguala Conciliación" by the Ministry of Women and Gender Equity, ratifying our commitment to continue to increase diversity throughout the workforce and consolidate its first place as the best place to work.

We also focus on three main areas to contribute to the progress and the inclusive development of communities: Social Inclusion, Financial Education and Entrepreneurship. In total, all of our social aid and financial inclusion programs have helped more than 1.5 million people throughout the country since 2019.

We are one of the companies with the most clients in the country. In total, as of September 2021, the total customer base was 4.0 million, an increase of 14% year-over-year. Customers with current or debit accounts totaled 1.8 million as of September 2021 with a 44% growth and our digital clients were growing 30% at the same date, totaling 1.9 million. The success with our clients is especially due to progress in digital banking and the constant improvement in service quality. This has allowed us to resume our vocation for financial inclusion in a responsible way and without over-indebting clients. We are the bank with the highest levels of satisfaction and NPS in the industry, reaching a historically high level of 59 points and opening the gap even more with our competitors.

## **Governance**

Santander Chile has three layers of ring-fencing to protect the interests of all investors equally.

The first layer is regulatory. The Bank complies with the regulations of the CMF and the Central Bank of Chile and also the SEC regulations for foreign issuers, the Sarbanes Oxley Law of the United States, the corporate governance standards of the NYSE and, as it is part of Grupo Santander, we are monitored by the European Central Bank. It is one of the most regulated companies in the region.

The relationship with the Group is also key and is the second layer of protection. The Santander Group has adopted a multiple points of entry structure. While Santander Chile enjoys sharing best practices, corporate frameworks, policies, and know-how with the Group, it is completely independent in terms of capital, liquidity, and financing, protecting the interests of all investors equally.

The third layer is the Board of Directors, the highest governing body in Santander-Chile. The Board of Directors is made up of nine regular members and two alternates. A key aspect of the Board of Directors is its independence and diversity. Of the 11 directors, seven are independent from the main shareholder. All eleven directors have vast experience in many fields to ensure a widespread view of global issues.

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