



Our future is in our hands

We all have the power to make investment choices which are a force for good, for our own future and that of others around the world.

Climate change, and a growing awareness of social inequalities are taking their place in our collective consciousness with investors increasingly alert to the environmental, social and governance (ESG) impact of their investment choices. The decisions we make can have a positive or negative impact on future generations.

If you are yet to be convinced of both the importance and potential future value of getting involved in sustainable investment - at least choosing your investment provider wisely as one committed to sustainability in all they do - here's some food for thought.

Environmental concerns are increasingly urgent



The average temperature for the five-year, 2015-2019, and ten-year, 2010-2019, periods are the highest on record.¹



Total annual global greenhouse gas emissions reached its highest level in 2018, but with no sign of peaking.²



Based on the current global commitments under the Paris Agreement³, emissions are still on track to exceed double what they should be by 2030.⁴

⁽¹⁾ World Meteorological Organisation – [WMP confirms 2019 as second hottest year on record](#), 15/1/2020

⁽²⁾ UN environment programme – [Emissions Gap Report 2018](#), November 2018

⁽³⁾ UN climate change – [The Paris Agreement](#)

⁽⁴⁾ UN environment programme – [Emissions Gap Report](#), November 2019

UN Climate Change Conference of the Parties (COP26) UK 2021

COP26, sponsored by Italy, was due to be held in November 2020 in Scotland but has been postponed to 2021 due to the Covid-19 pandemic.⁵

The UN describes COP26 as "the most important intergovernmental meeting on the climate crisis since the Paris Agreement was passed in 2015" and states that "the success or otherwise of this conference will have stark consequences for the world".⁶

A key objective of the conference will be to review the Paris Agreement targets: limiting global temperature increase to no more than 2°C above pre-industrial levels (the 2019 average was 1.1° above). Not only are the Paris Agreement pledges considered to be insufficient to meet the target, but countries are also not on track to deliver on them.⁷

Santander: Playing our part

In 2019 The Santander Asset Management group started putting in place measures to support its commitment to the Paris Agreement. At a global business level we started reviewing portfolios against the 2°C benchmark. This process is still to be deployed to regional managed portfolios.

The results showed that the portfolios compare favourably, with higher exposure to renewable energy.

Additionally the latest Climate Finance Report highlights that, half of Santander Group's electricity comes from renewable sources (biomass, wind and water) with a target of 100% by 2025 and all single use plastic will be eliminated from Santander offices and branches by 2021.⁸

⁽⁵⁾ UK COP26 – 2020 Year of climate action

⁽⁶⁾ UN environment programme - [Facts about the Climate Emergency](#)

⁽⁷⁾ UN environment programme - [Facts about the Climate Emergency](#)

⁽⁸⁾ Santander - [Climate Finance Report 2019-2020](#) (p20 and p3)



Investment choices can have an unseen social impact

How a company you invest in treats those who supply, work for or otherwise rely on it is a crucial issue. The fashion industry, for example, has been the focus of repeated concerns about staff working conditions, employment rights and rates of pay with accusations of exploitation.⁹

Modern slavery may seem like a remote issue but around 40 million people are thought to be affected around the world.¹⁰ with one in four of them children¹¹. The ongoing pandemic has increased the risk, not least through disrupting work to intervene and protect victims.¹²

The gig economy

According to the World Economic Forum, workers reliant on the so-called 'gig-economy' – short-term or freelance work as opposed to permanent employment – are among the hardest hit by the pandemic. Almost 70% of gig workers surveyed are not satisfied with the support provided by the company they work for, 68% have no income and only 23% have savings to fall back on.¹³

Now more than ever it's important to invest in and through companies that are transparent about their supply chain (to minimise any risks of modern slavery for example), how they look after their workforce and how they help others build a better financial future for themselves. This information should all be easily found on a company's website or in their annual report.

Santander: empowering positive futures

The Santander Universities scholarship programme started in Spain in 1996 and is now active in more than 20 countries around the world, supporting young people into and through higher education.¹⁴ We're also active in microfinance, with our scheme in Brazil helping 700,000 people over the last 17 years, mainly women, to start businesses with small loans.¹⁵

⁽⁹⁾ Sustain Your Style – [What's wrong with the fashion industry?](#)

⁽¹⁰⁾ International Labour Organisation – [Global Estimates of Modern Slavery](#), 19/9/2017

⁽¹¹⁾ International Labour Organisation – [Global Estimates of Child Labour](#), 19/9/2017

⁽¹²⁾ Delta87 – [The Impact of Covid-19 on Modern Slavery](#), 27/3/20

⁽¹³⁾ World Economic Forum – [Gig workers among the hardest hit by coronavirus pandemic](#), 21/4/20

⁽¹⁴⁾ Santander – [Santander Universities](#)

⁽¹⁵⁾ Santander – [Prospera: three financial inclusion stories in their own right in Brazil](#), 17/12/19

Good governance can make a world of difference

Sustainability and responsibility have increasingly become embedded across all areas of business with the growing understanding that people matter more than profits. For many companies today, simply generating returns for shareholders is no longer the only goal.

The Business Roundtable, a group of CEOs from America's largest companies including Amazon, Apple and Walmart have stated that their collective purpose is no longer just to generate profits for their shareholders. Rather it's "delivering value to customers, dealing ethically with suppliers and supporting outside communities".⁽¹⁶⁾

Santander: leading the way on gender equality

The Bloomberg Gender-Equality Index tracks the performance of companies based on factors including pay equality, an inclusive culture and female leadership and talent. It covers 325 companies across 50 industries based in 42 countries and regions.¹⁷ Santander has achieved the highest scores for the Index for 2020, reflecting our commitment to equality and transparency.¹⁸

It all adds up

Small, positive steps taken together can make a real difference. By focusing on the issues that matter to you when making your investment choices - or choosing wisely the investment providers you prefer to deal with - you can be part of the change you want to see. And as our article **Good for the world, good for you** explains, you may also find it all adds up to making more of your money too.

Interested in sustainable investment?

Read our other articles on sustainable investment for a practical take on what it is, what it involves and how to get started. You may also find it helpful to speak to a financial adviser



Sustainable investment and you: an introductory guide



The Sustainable Investment Movement.



A closer look at sustainable investment.

⁽¹⁶⁾ CNBC – **The CEOs of nearly 200 companies just said shareholder value is no longer their main objective**, 19/8/2019

⁽¹⁷⁾ Bloomberg – **About the GEI**

⁽¹⁸⁾ Santander – **Banco Santander leads the 2020 Bloomberg Gender-Equality Index**, 21/01/2020

Disclaimer

Important Information

This document has been prepared by Santander Asset Management (hereinafter "**SAM**"). SAM is the functional name of the asset management business conducted by the legal entity SAM Investment Holdings SL and its branches, subsidiaries and representative offices.

This document contains economic forecasts and information gathered from several sources. The information contained in this document may have also been gathered from third parties. All these sources are believed to be reliable, although the accuracy, completeness or up-to-dateness of this information is not guaranteed, either implicitly or explicitly, and is subject to change without notice. Any opinions included in this document may not be considered as irrefutable and could differ or be, in any way, inconsistent or contrary to opinions expressed, either verbally or in writing, advices, or investment decisions taken by other areas of SAM.

This document is not intended to be and should not be construed in relation to a specific investment objective. This document is published solely for informational purposes. This document does not constitute an investment advice, an offer or solicitation to purchase or sell investment funds or other financial products mentioned herein (the "**Products**"), and should not be relied upon as the sole basis for evaluating or assessing the Products. Likewise, the distribution of this document to a client, or to a third party, should not be regarded as a provision or an offer of investment advisory services. Before taking an investment decision of any mentioned SAM product, the prospectus and the key investor information document (KIID) should be consulted on www.santanderassetmanagement.com or via authorised intermediaries in your country of residence.

SAM makes no warranty in connection with any markets forecasts or opinions, or with the Products mentioned in this document, including with regard to their current or future performance. The past or present performance of any markets or Products may not be an indicator of such markets or Products future performance.

The investment products described in this document may not be eligible for sale or distribution in certain jurisdictions or to certain categories or types of investors. In particular, the Products may not be directly or indirectly offered or sold in the United States of America or to or for the benefit of a United States Person.

The investment products may be subject to investment risks: market risk, credit risk, issuer and counterparty risk, liquidity risk, foreign currency risk and, where applicable, risks pertaining to emerging markets. Additionally, if the Products hold their investments in hedge funds, assets, real estate funds, commodities and private equity, it should be noted that these can be subject to valuation and operational risks inherent in these type of assets and markets as well as the risk of fraud or risk derived from investing in unregulated or unsupervised markets or unlisted assets.

At any time, SAM (or employees thereof) may have positions aligned or contrary to what it is stated herein for the Products, or deal as principal or agent in the relevant Products or provide advisory or other services to the issuer of relevant Products or to a company connected with an issuer thereof.

This document may not be reproduced in whole or in part, or further distributed, published or referred to in any manner whatsoever to any person, nor may the information or opinions contained therein be referred to without, in each case, the prior written consent of SAM.

SAM makes no warranty in connection with any markets forecasts or opinions, or with the Products mentioned in this document, including with regard to their current or future performance. The past or present performance of any markets or Products may not be an indicator of such markets or Products future performance.

Santander Asset Management UK Limited (Company Registration No. SC106669) is registered in Scotland at 287 St Vincent Street, Glasgow G2 5NB, United Kingdom. Authorised and regulated by the Financial Conduct Authority (FCA). FCA registered number 122491.

You can check this on the Financial Services. Register by visiting the FCA's website www.fca.org.uk/register.