



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.

Disclosure: ESG investing carries the same risks as traditional investing. Returns are not guaranteed and you might lose more than you put in.

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

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