

Héctor Grisi Checa
Santander
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19 December 2025

Dear Mr. Grisi Checa,

I hope you're keeping well.

I am writing to you following the launch of ShareAction's latest benchmark of European banks, "[In Debt to the Planet 2025: An assessment of environmental and social strategies in the European banking sector](#)". We are extremely grateful for your sustainability team's contribution to our report and for all the positive engagement we have had this year with Santander. That said, we are troubled by the direction the bank is heading in with respect to managing climate and associated financial risks given it has backtracked on elements of its fossil fuel financing policies.

Our benchmark of European banks, in which Santander is ranked 21st out of Europe's 25 largest banks, finds that ambition among Europe's banking sector is far below where it needs to be for banks to achieve their net-zero ambitions and align with the goals of the Paris Agreement. The average score across the 25 banks was just 41%, with only four banks achieving at least half of the available points. Despite the latest International Energy Agency (IEA) forecast finding that a cleaner, faster transition will be cheaper for consumers in the long-runⁱ, just five banks fully rule out financing all companies engaged in new oil & gas projects. And even though the IEA has warned there is an impending oversupply of natural gasⁱⁱ, only four banks rule out financing for LNG projects. Concerningly, our report finds that banks' new sustainable finance targets are seemingly moving backwards. Nearly half of the 11 banks that have set new targets since May 2024 have lowered their ambition, with their goals so weak that they could meet them even while reducing the amount of sustainable finance they provide each year.

Since ShareAction published its 2022 benchmark, growing political backlash against environmental and social action has created new challenges for banks looking to finance the energy transition. But banks should not be passive in the face of economic and political headwinds. They have the financial power to change conditions in the real economy and have considerable influence over political processes. They must use it to help advance the needs of a just and sustainable transition, which in turn would help them capitalise on opportunities. The fees banks generated from green deals exceeded those from fossil fuels in the third quarter of 2025ⁱⁱⁱ, and investment in renewables continues to break records.^{iv}

Meanwhile, banks which are not aligning their financing decisions with the goals of the Paris Agreement are creating systemic risk. For as long as banks continue to finance oil & gas expansion, they increase the risk of stranded assets, which expose lenders and their shareholders to potential losses. In fossil fuel sectors, asset stranding could range in value from US\$3 trillion to US\$16 trillion, with an impact on fossil fuel profits above US\$1 trillion over the next 15 years^v. Public support for the transition remains resilient and is likely to intensify as extreme weather events wreak more havoc across the globe. Climate-related extremes in Europe caused more than twice as much damage during the period 2020–2023 as in the entire preceding decade^{vi} and has led to substantial loss of human life. During the summer in which ShareAction conducted the survey for this report, 16,500 Europeans died from extreme heat attributed to climate change^{vii}. These are loved ones and neighbours whose lives were cut short by a collective failure to act.

Following extensive analysis of Santander’s fossil fuel policies, decarbonisation and sustainable finance targets, and approaches to biodiversity and Indigenous Peoples’ rights, we have identified key areas where the bank should improve its performance. Santander ranked 21st overall, performing joint 18th for fossil fuel policies and 21st for climate targets. While it placed higher for biodiversity (joint 8th) and Indigenous Peoples’ rights (joint 4th), its scores remained low at 26% and 12%.

Santander’s poor performance for fossil fuel policies can be partially attributed to its financing of fossil fuel expansion. As a share of total assets, the bank ranked 21st for its 3-year average fossil fuel financing. In terms of the bank’s policies themselves, one of the most significant flaws is only applying restrictions to new oil projects. The bank does cover oil & gas in restrictions for Arctic and shale projects, as well as clients for which these represent more than 30% of activities. However, Santander can still finance fracking in emerging markets when legally permitted. For coal, the bank restricts finance to new projects, but restrictions on general corporate purpose finance only apply to new clients.

Concerningly, Santander has backtracked on key elements of its fossil fuel policies. In July 2025, the bank removed its commitment not to finance new oil clients. It previously committed by 2030 to phase out thermal coal mining and implement a 10% maximum threshold for clients’ coal power revenues. However, it can now maintain financing beyond 2030 for “sustainable finance and products that finance the transition”. The bank will also finance companies with coal subsidiaries provided the funds do not directly support these subsidiaries or any thermal coal assets. It has also backtracked on its previous position by removing a requirement for new coal clients to have a transition plan.

The bank’s poor performance for climate targets was impacted by its weak ratio of clean energy to fossil fuel financing. This stood at 0.92 in 2024, and has trended at -9% per annum since 2021—the third worst trend in our sample. Concerningly, Santander lacks decarbonisation targets for agriculture, commercial real estate, residential real estate, aluminium, cement, and shipping. All decarbonisation targets are benchmarked to 1.5C scenarios; however none cover capital markets.

Santander hasn’t set sectoral sustainable finance targets. Instead, it relies on a high-level commitment to raise and mobilise €220bn in green finance between 2019 and 2030, and has failed to publish a quantitative methodology explaining how this target was set.

Santander’s biodiversity performance is buoyed by its clear disclosure of the results of an impact and dependency assessment using information on clients’ countries of operation. The bank also rules out projects in some areas of biodiversity value, such as World Heritage Sites and IUCN protected areas and requires FSC and RSPO certification from relevant clients. However, it does not have restrictions on ecosystem conversion outside of these designated areas or certification schemes.

Santander requires clients obtain free, prior, and informed consent (FPIC) from Indigenous Peoples, although this only applies to project financing. The bank has a whistleblowing mechanism that is open for complaints related to human rights or Indigenous Peoples' rights but has no specialised grievance mechanism.

The financial sector holds significant power to affect change, and it has a responsibility to use it. We are extremely concerned by Santander's backtracking and urge the bank to:

- **Publish a quantitative assessment of the financial risks Santander's backtracking on its fossil fuel policies** exposes the bank and its shareholders to in Santander's 2026 annual report.
- **Expand dedicated fossil fuel financing restrictions to gas, pipelines, and LNG facilities.** BNP Paribas, Crédit Agricole, Crédit Mutuel, La Banque Postale, and Societe Generale have all ruled out direct financing for liquefaction projects. Also, La Banque Postale has committed to cease financing both liquefaction and regasification facilities.
- **Set out restrictions on general purpose financing for companies expanding oil & gas exploration, production, and infrastructure.** La Banque Postale and Danske bank both refuse commercial relations with oil & gas companies unless they develop a credible transition plan, including red lines on further fossil fuel expansion. Meanwhile, BNP Paribas and Crédit Agricole refuse support to conventional oil & gas bonds.
- **Commit only to provide ringfenced sustainable financing to groups that pledge both to cease thermal coal expansion and phase-out exposure.** While La Banque Postale allows ringfenced financing to coal clients, it adds safeguards that require clients not to engage in coal expansion and to phase out exposure to coal.
- **Establish decarbonisation targets for missing sectors, particularly real estate, and ensure coverage of capital markets activities.** ING has set 1.5C-aligned decarbonisation targets across all 11 sectors tracked by ShareAction, and Standard Chartered includes both lending and capital markets facilitation in its oil & gas decarbonisation target without applying any adjustments or weightings.
- **Publish a methodology for the bank's sustainable finance target with reference to decarbonisation commitments or climate scenarios.** BNP Paribas established its renewable energy financing target based on the global energy mix suggested in the IEA NZE scenario.

As CEO of one of Europe's largest banks, Mr. Grisi Checa, we ask that you display courage and leadership by proactively pushing back against calls for climate inaction and securing a future for your institution.

Climate breakdown and spiralling inequality are the antithesis of this goal, and shareholders will not accept Santander backtracking on its climate commitments or making progress too slowly.

We are committed to engaging with and supporting Santander in the development of robust policies and targets, and hope that our constructive dialogue will continue throughout 2026. As a next step, we would like to see Santander make progress on the above recommendations by its 2026 AGM, or ShareAction and investors will consider taking escalatory action.

Please note, we have made the contents of this letter public and it is available on our website. **Any response we receive from the bank will also be treated as public and may be included in future briefings or other materials, unless explicitly requested otherwise.**

I ask that you respond to bankingteam@shareaction.org in writing by the 27th March 2026. I truly wish you and your team a wonderful Christmas break and look forward to building on our valuable relationship in the new year.

Warm regards,



Jeanne Martin

Interim Co-Director of Corporate Engagement & Head of Banking Programme

ShareAction

ⁱ International Energy Agency (2025). *World Energy Outlook 2025*. Available at: <https://www.iea.org/reports/world-energy-outlook-2025> [accessed 25 November 2025]

ⁱⁱ International Energy Agency (2025). *Coming surge in LNG production is set to reshape global gas markets*. Available at: <https://www.iea.org/news/coming-surge-in-lng-production-is-set-to-reshape-global-gas-markets> [accessed 25 November 2025]

ⁱⁱⁱ Anthropocene Fixed Income Institute (2025). *Bank DCMs minting the transition*. Available at: <https://anthropocenefii.org/blog/the-box-banks-minting-transition> [accessed 25 November 2025]

^{iv} BloombergNEF (2025). *Global Renewable Energy Investment Still Reaches New Record as Investors Reassess Risks*. Available at: <https://about.bnef.com/insights/clean-energy/global-renewable-energy-investment-reaches-new-record-as-investors-reassess-risks/> [accessed 25 November 2025]

^v International Renewable Energy Agency (2017). *Stranded assets and renewables*. Available at: <https://www.irena.org/publications/2017/Jul/Stranded-Assets-and-Renewables> [accessed 1 November 2025]

^{vi} European Environment Agency (2025). *Europe's Environment 2025*. <https://www.eea.europa.eu/en/europe-environment-2025/main-report> [accessed 25 November 2025]

^{vii} Barnes, Clair, Garyfallos Konstantinoudis, Pierre Masselot, Malcolm Mistry, Antonio Gasparri, Ana M Vicedo-Cabrera, Emily Theokritoff, et al (2025). *Summer heat deaths in 854 European cities more than tripled due to climate change*. Available at: <https://spiral.imperial.ac.uk/entities/publication/036deb18-2883-409e-a66c-df52bea09e97> [accessed 25 November 2025]