

## Statement from Santander

As a responsible bank we share your concern regarding social and environmental impacts linked to our financing activities.

Our purpose, to help people and business prosper, permeates the way we conduct our business and it is at the core of the responsible management of our activities. Our General Sustainability Policy, which is approved by the Board, sets the framework in Corporate Social Responsibility and social and environmental risk management. This policy describes our commitments on finance-related social and environmental risks, including prohibited and restricted activities.

Furthermore, Banco Santander has set out specific sectoral policies that contain the criteria for analysing social and environmental risks in our customers' activities within sensitive sectors, including soft commodities. These policies that go beyond the Equator Principles are reviewed annually and published in our website. In Brazil, we conduct annual reviews of more than 2,000 clients, including those that are large soy producers, soy traders and meatpackers, especially about their supply chain. As part of the reviews of meatpackers, we took into account the agreements that they had signed with Greenpeace and the Brazilian government's *Ministério Público* regarding sourcing of livestock from the Amazon. At the time of our analyses, Marfrig was in compliance with these agreements, which involved third-party audits of ranchers.

Regarding loans to individual farmers and ranchers, Santander Brasil retains a leading-edge satellite imaging firm that monitors 5,000 properties that we are financing or that are taken as collateral. This firm supplies us with daily information on embargoes related to areas that were deforested, slave labor, incursions into Indian territories and other problems. If there are problems, these daily alerts are acted upon within a few days.

Lumber companies in the Amazon must have the Forest Stewardship Certification (FSC) or equivalent certification to be a client. We do an annual review of our lumber clients in the Corporate and E3 (large retail) segments.

We participate actively in three external forums that propose solutions to stop deforestation. We are a founder of The Round Table on Responsible Soy (RTRS), and served as the first president from 2006 to 2009. We are also a founder and board member of the Brazilian Roundtable on Sustainable Livestock (GTPS). We are active in the banking association's (Febraban) committee on forestry/agro issues.