



Sustainability



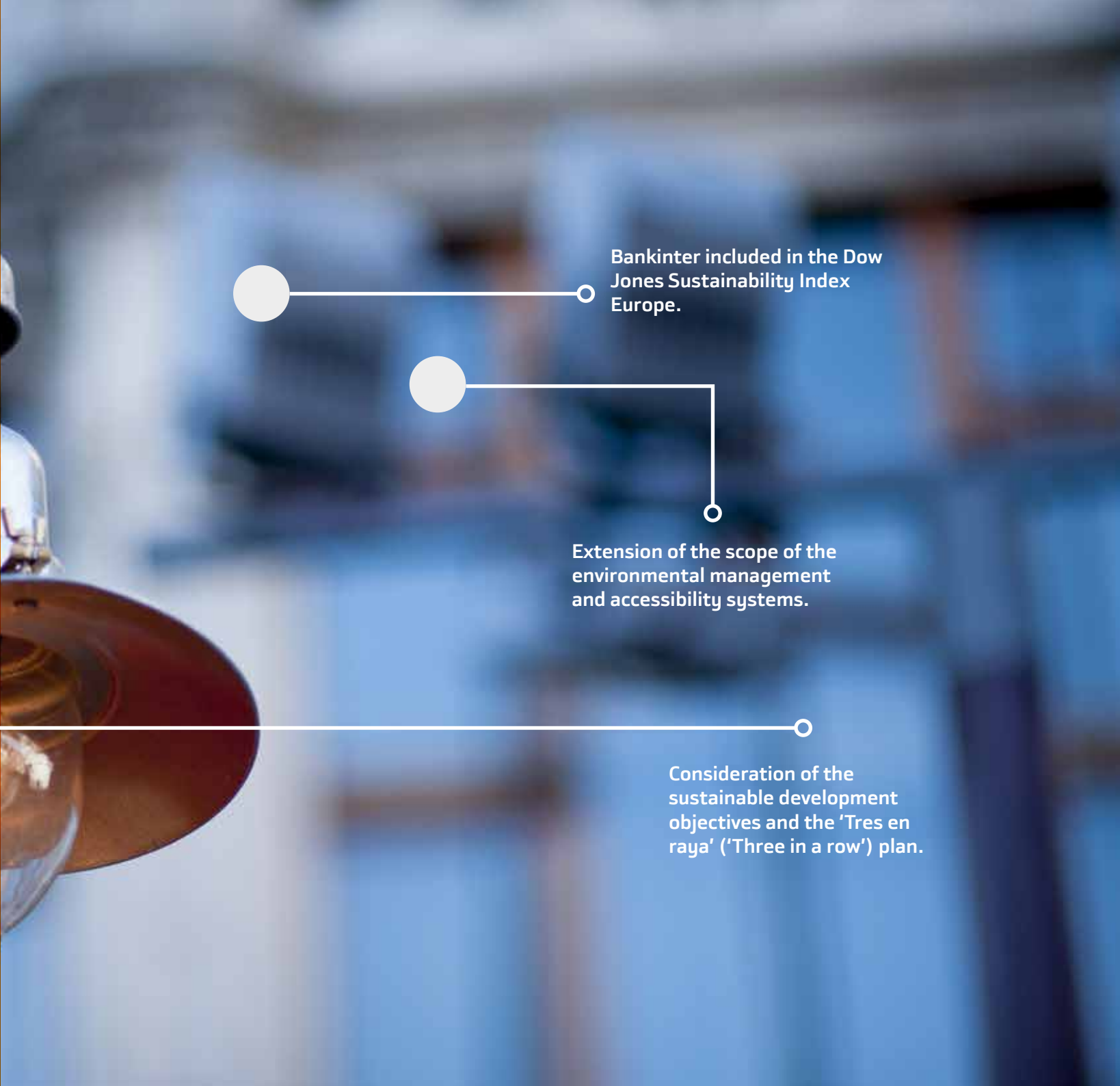
Bankinter included in the Dow Jones Sustainability Index Europe.



Extension of the scope of the environmental management and accessibility systems.



Consideration of the sustainable development objectives and the 'Tres en raya' ('Three in a row') plan.



Sustainability

Triple management to generate triple value

In 2016 Bankinter launched the 'Three in a row' Plan, which is a multi-year programme for managing sustainability that will end in 2020. The plan takes its name from the three dimensions that form part of the Bank's sustainability model (economic, social and environmental).

The objective of the 'Three in a row' Plan is to provide a response to the three major challenges (economic due to the change in model, social due to demographic change and environmental due to climate change) identified in Spain and Portugal, countries in which the Bank carries out its main activity.

The plan is based on the Sustainability Policy that was approved by the Bank's board of directors in January 2016. This policy has 10 principles whose objectives are to contribute to the sustainable development of the environment and the prosperity of society, based on Bankinter's three strategic pillars of quality, innovation and technology, and in line with its corporate values.

This policy is supplemented by the other internal policies reflecting the guidelines set out by the Bank.



[Go to the sustainability policy](#)

With respect to Royal Decree Law 18/2017, which transposed the European directive on the disclosure of non-financial and diversity information into Spanish law, over the last few years Bankinter has reported information on its social, employment and environmental management, matters relating to anti-corruption and bribery, diversity in governing bodies, and management with regard to respecting human rights, in anticipation of this new legal framework.

During the preparation of the plan, a dialogue management system was put in place with stakeholders in order to discover their expectations and motivations, and to be able to involve them in sustainability management.

As part of the sustainability strategy, a number of actions are developed including:

- The analysis of the results of the assessments of the most prominent sustainability indexes, such as DJSI, FTSE4Good, MSCI and Sustainalytics.
- The monitoring of international trends and reporting frameworks such as the GRI G4, IIRC, ISO 26000, SGE 21 and the new version of ISO 1400.
- The consideration of the best practices of global sector leaders.
- The analysis of the results of customer satisfaction surveys.
- The analysis of the results of employee satisfaction surveys.
- The analysis of RepTrack results.
- Inclusion of the United Nations Sustainable Development Goals as part of sustainability management.
- The consideration of new regulations, such as the Good Governance Code of Listed Companies of the CNMV, and their application in Bankinter.

Materiality analysis

Dialogue and priorities

Bankinter is identifying which aspects of its activity have the biggest impact on the environment by setting up a dialogue management system with its stakeholders.

The model is defined according to the guidelines set by the international framework for non-financial reporting, Global Reporting Initiative (G4). The main dialogue mechanisms used for this purpose are shown below.

Stakeholders	Dialogue channels	Parties responsible for management
Shareholders	Shareholders Office General meeting of shareholders	Head of Shareholders Office
Investors and analysts	Roadshows Meetings Questionnaires	Director of Investor Relations Director of Sustainability
Customers	Quality surveys Customer Service Area External ombudsman Bank of Spain Multi-channel banking	Director of Quality Director of Legal Counsel
Regulatory bodies (Bank of Spain, CNMV)	Circulars	Director of Regulatory Compliance
Employees	Global surveys Evaluation Whistleblowing channel Queries mailbox	Director of People Management Director of Audit Director of Quality Director of Internal Communication Director of Sustainability
Suppliers	Procurement portal Follow-up meetings Questionnaires	Director of Efficiency and Transformation Director of Sustainability
Partners Universities and Business Schools	Meetings Forums Workshops	Foundation Director Director of Communication and CSR
Third (voluntary) sector	Social engagement mailbox Meetings	Director of Sustainability
Media	Press conferences Press releases Social networks	Director of Communication and CSR
Society (others not previously included)	Social networks. Corporate website RepTrack survey	Director of Communication and CSR Head of Reputation

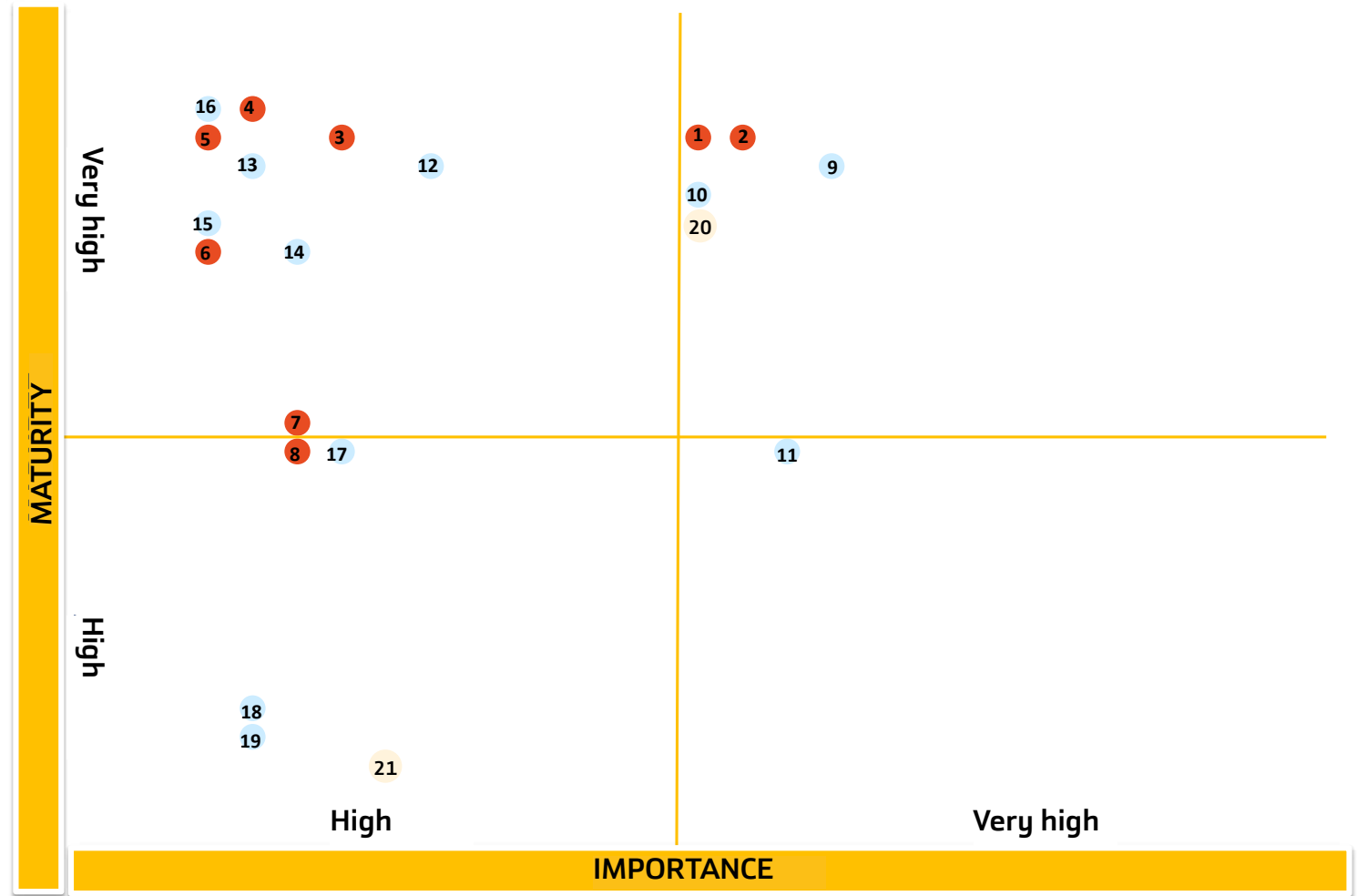
The materiality survey carried out by the Bank to identify the most significant aspects of the organisation's economic, environmental and social impact, was updated in 2017 to include the UN's Sustainable Development Goals, as a focus of interest and action within its strategy.

This survey has improved the effectiveness of the dialogue channels with stakeholders and detailed the main priorities in accordance with two parameters: the importance and maturity of aspects related to the financial activity, and the importance assigned to it by the bank's main stakeholders (customers, employees, shareholders, sustainability analysts and ESG investors, social and sector opinion leaders, the media and society in general).

Bankinter plans its activities while taking into account these results, and also compares them with the internal analysis carried out by the areas of the Bank that are more directly involved in this process of active listening.

The result of this quantitative and qualitative analysis is the materiality matrix, which graphically organises factors of the Bank's business according to the two criteria referred to above.

(G4-18, G4-19, G4-20, G4-21, G4-24, G4-25, G4-26, G4-27)



Economic dimension

- 1 Service quality and customer satisfaction.
- 2 Transparency in board remuneration.
- 3 Control mechanisms and risk management (financial)
- 4 Regulatory compliance
- 5 CSR policy and its supervision
- 6 Prevention of corruption and money laundering.
- 7 Control mechanisms and risk management (non-financial)
- 8 Transparency in commercial relations.

Social dimension




- 9 Talent recruitment and retention
- 10 Dialogue channels with stakeholders
- 11 Employment creation and stability.
- 12 Equal opportunities
- 13 Code of conduct
- 14 Conciliation policy
- 15 Investment in the community
- 16 Equality of remuneration
- 17 Training
- 18 Employee performance evaluation.
- 19 Working environment

Environmental dimension

- 20 Energy management in facilities
- 21 Environmental policy

As a member of the United Nations Global Compact Network Spain, the Bank has identified the Sustainable Development Goals to which it can make the greatest contribution, and, therefore, has incorporated those relating to Decent Work and Economic Growth (SDG 8), Reduced Inequalities (SDG 10), and Climate Action (SDG 13) into its strategy.

(G4-18, G4-20, G4-21, G4-27)

Target	Targets	Initiatives undertaken	Challenges
	<ul style="list-style-type: none"> Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services. Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value. Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment. 	<ol style="list-style-type: none"> Initiatives related to business. <ul style="list-style-type: none"> Lending and financing policy. Sustainable products. Training and awareness aimed at promoting entrepreneurship. Bankinter Innovation Foundation initiatives. <ul style="list-style-type: none"> Entrepreneurs programme. Akademia. FTF. Cre100do. Initiatives related to people management. <ul style="list-style-type: none"> Family responsible company. Saludable-mente programme (for healthy workplaces). Human capital development. Talent recruitment and retention. Workplace accessibility. 	<ul style="list-style-type: none"> Establishment of specific financing policies for controversial sectors. Training staff from the risks and asset management areas in the application of environmental, social and good governance criteria. Development of monitoring methodology and control of the Human Rights policy. Saludable-mente programme. Continue developing the Foundation's programmes: entrepreneurship. Extension of the scope of the universal accessibility management system.
	<ul style="list-style-type: none"> Empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status. 	<ol style="list-style-type: none"> Initiatives related to inclusion. <ul style="list-style-type: none"> Physical accessibility. Digital accessibility. Cognitive accessibility. Training and awareness of the workforce aimed at financial integration. Sustainable products. Financial education and education for entrepreneurship (technical volunteering). Social volunteering. Social action and citizenship. Family responsible company. Equality plans. Whistleblowing channel. 	<ul style="list-style-type: none"> Development of monitoring methodology and control of the Human Rights policy. Extension of the scope of the accessibility systems to other workplaces. Development of products with a high social impact. Development of family responsible company (EFR) in Portugal. Development of Foundation programmes. Development of the Adaptive II project at the National Hospital for Paraplegics in Toledo. Development of financial education programmes adapted to various groups. Training and awareness aimed at integration.
	<ul style="list-style-type: none"> Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries. Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning. 	<ol style="list-style-type: none"> Initiatives related to business. <ul style="list-style-type: none"> Lending and financing policy. Inclusion of environmental criteria in procurement policy. Support for employees, customers and suppliers to implement eco-efficiency in their homes/companies. Sustainable products. Green line of credit. Initiatives related to the Bank's environmental impact (direct impact). <ul style="list-style-type: none"> Emissions management: measurement, reduction and offset. Eco-efficiency programmes in the organisation. Actions with environmental and social impact. Disclosure of sustainability information. Establishment of environmental training and awareness workshops. Implementation of stakeholder communication channel on environmental matters. Environmental mailbox 	<ul style="list-style-type: none"> Development of products with a high environmental impact. Development of Foundation programmes. Identification of the impact of lending and financing operations on natural capital. Buying energy from renewable sources. Neutralise CO₂ emissions. Training employees and raising awareness of customers.

The 2016-2020 Plan establishes 18 strategic lines of an economic, social and environmental nature.

Economic dimension

- Good governance
- Sustainable practices
- Customer-oriented services
- Socially responsible investment
- Sustainable products
- Responsible supplier management
- Corporate culture/brand
- Structure

Social dimension

- Financial inclusion
- Advanced people management
- Volunteering
- Citizenship
- Social footprint management
- Bankinter Innovation Foundation
- Structure

Environmental dimension.

- Climate change strategy (carbon footprint)
- Environmental management system
- Structure

Economic dimension

The Bank's sustainability management was recognised in 2017, with its inclusion on the Dow Jones Sustainability Index Europe, as one of the top ten European banks in terms of corporate governance and environmental and social performance.

The Bank also appears in the rest of the sustainability indexes, including the FTSE4Good, MSCI and Carbon Disclosure Project, and it appears in the Sustainability Yearbook published by RobecoSAM, which was presented at the World Economic Forum in Davos.

In addition to exercising direct control over social action and environmental management, the Sustainability Division also acts as an observatory of trends and risks based on the dialogue it holds with stakeholders. This allows it to discover their expectations and identify the needs of an ever changing environment, and, where appropriate, to consider or integrate them into the sustainability strategy.

Similarly, it promotes the coordinated action of the business areas to develop initiatives focused on responding to these needs; proposing and monitoring the programmes contained in the strategic plan, verifying the degree of compliance with the objectives set for them and identifying areas for improvement, according to recognised ethics and sustainability standards and indexes.

Good governance

The chapter on corporate governance includes considerable information on the size and composition of the board, selection of members and diversity, succession plans and so on.

Of particular note in 2017 was the establishment of a corporate governance policy which contains the general principles that underpin the specific corporate policies and internal rules and procedures in relation to corporate governance, which together form the Group's internal corporate governance framework.

Bankinter Group also circulated its Human Rights policy, which includes its commitment to respecting, supporting and protecting human rights when carrying out its activities and in relation to its stakeholders in the environment in which it operates: employees, customers, suppliers and other commercial partners, under the UN motto 'protect, respect and remedy'.

The bank has also become a member, along with other large Spanish companies, of the Cluster of Transparency, Good Governance and Integrity, a platform of companies coordinated by Forética, the leading association of CSR companies and professionals in Spain.

In relation to the management of non-financial aspects of the Bank, the board of directors is the competent body for establishing and overseeing compliance with the sustainability policy and its instruments of implementation, and to decided on any modifications that should prove necessary.

The board's appointments and corporate governance committee is responsible for monitoring the implementation of this policy.

The sustainability committee is the body responsible for proposing and implementing the 'Three in a row' plan. It is headed by the Bank's chairman and comprises the executives from those areas directly involved in the development of the plan's strategic lines, who are responsible for implementing them in a way that is coherent and integrated with the Bank's global strategy.



More information in the Corporate Governance Report.

The Internal Audit area is responsible for supervision of non-financial information that is reported, including that which is presented, at least once a year, to the board of directors.

Sustainable practices

In 2017, the Bankinter Group's Code of Professional Ethics was renewed and a new Code of Professional Ethics for the Bank's agent network was introduced.



More information in the chapter 'Regulatory Compliance' and 'Professional Ethics'

Customer-oriented services

This line includes service quality and customer satisfaction management. The main indicator that measures this management, the NPS, comfortably beat the target set for 2017, reaching 30%.



More information in the chapter 'Quality'

Socially responsible investment

This line covers the investment that incorporates environmental, social and governance criteria to those which are strictly financial.

The Bank adhered to the Equator Principles, a leading international initiative in the financial sector with the objective of evaluating and managing the environmental and social risks of the projects to be financed. In 2017, no project subject to these principles was financed.

Bankinter undertakes to evaluate the practices in environmental, social and human rights issues, and to act in accordance with the principles established in its policies, in the due diligence processes carried out prior to entering into financing agreements or any other type of contract and within the framework of the Equator Principles and the environmental and social risk management policies.

The promotion of energy sources that are sustainable, competitive and safe is a key objective for Bankinter's financing. Over the course of 2017, the Bank took part in renewable energy projects (photovoltaic and wind energy, among others), with total financing amounting to 228.5 million euros.

Sustainable products

These are products that incorporate various attributes of sustainability in their design.

The main sustainable products and investments were as follows:

Bankinter Sustainability Fund. It invests in equities that are on the main social and environmental responsibility indexes. It provided a yield in 2017 of 6.2% and had assets of 86.3 million euros (76.7 million euros in 2016)

Responsible investment funds. The Bank makes available to its customers 100 funds of international prestige that invest with responsible criteria. Their investment strategies centre on companies dedicated to renewable energies, innovation and technology, and reduction of the impact of climate change, or that are present in the main sustainability indices.

Investments in venture capital funds or companies that invest in sustainable products. Stakes were held such as the 4.3% and 4.6% in Ysios Biofund I and II (biotechnology and life sciences), 10% in Going Green (electric automotion) and 2.5% in CPE Private Equity LP (clean technologies).

SME Initiative. In the last quarter of 2015 Bankinter and the European Investment Fund signed their third agreement, of which 64 million euros are still available. The Bank provides financing of up to 300,000 euros to companies that are eligible, under highly advantageous conditions, thanks to the guarantee under which it will receive 50% of the transaction from the European Investment Fund. In addition to this new agreement, there are still 20 million euros available in Innovfin 2014, within the scope of Horizon 2020. Its aim is to support the financing of Spanish companies with fewer than 500 workers that conduct research and innovation activities and projects.

Hal-Cash. The system, which enable customers to send money to any person's mobile phone so they can withdraw it from an automatic teller machine without using a credit card, was used in 2017 by 16,469 customers, who placed 207,601 orders for the amount of 46.7 million euros. Hal-Cash provides access to financial services to groups that do not have bank accounts.

Responsible supplier management

As part of the supplier certification process, a procedure has been established to categorise the main suppliers according to environmental and social criteria, which have been added to the traditional ones of the price and quality of the product, the supplier's solvency, labour risks, and security.

In addition, an environmental clause has been added, a social clause in the framework agreement that all suppliers sign.

It should also be pointed out that Bankinter's average payment period to its suppliers is 20 days.



More information in the chapter 'Suppliers'

Corporate culture/brand management

The efficient brand strategy helps the Company to achieve a better positioning in the market, which also means an improved reputation and higher valuation by stakeholders.

In 2017, the Bankinter Brand development project was launched. Accessibility criteria were considered in the digital environment and the font and colour contrasts were adapted.






More information in the chapter 'Brand'



'Three in a row' plan Economic Dimension – 2017

Strategic lines	Objectives 2017	Compliance	Objectives 2018
Good governance	Definition of a Human Rights policy.		Development of monitoring mechanisms of the Human Rights policy.
Sustainable practices	Publication of a new code of ethics. MiFID 2 training.		Training in the new directives associated with regulatory changes.
Customer-oriented services	Bank NPS > 25%. Establishment of improvement plans in centres with low NPS Measurement of customer experience in digital banking.		Bank NPS > 30%.
Socially responsible investment	Management and reporting of transactions subject to Equator Principles.		Development of processes for the application of environmental, social and governance criteria in financing.
Sustainable products	Design of a product with a high social/environmental impact.		Launch of new sustainable products Measurement of social/environmental impact of products.
Responsible management of suppliers	Incorporation of ESG criteria defined in supplier certification process. ESG weighting of main suppliers.		Development of procedures for the application of ESG criteria in the supplier certification process. ESG weighting of main suppliers.
Corporate culture/brand	Definition and development of the brand indicator.		
Structure	Correlation model between the sustainable development objectives and the plan's strategic lines.		New alignment actions with the sustainable development objectives.

-  Completed
-  Underway
-  Not started

Social dimension

The Bank has established a continuous dialogue with internal and external stakeholders in order to find out their needs and expectations, seeking to respond to them with the most innovative solutions and the use of the best technologies available.

The institution's social commitment is established in seven lines of action with a large number of programmes in which the participation of the main internal and external stakeholders is sought to carry them out.

Accessibility and financial inclusion

This is behind the 'A bank for all' project, that develops the Bank's inclusive strategy, with its firm commitment to making all its relationship channels with its stakeholders accessible. Bankinter particularly takes into consideration disabled and elderly people by aiming to offer them a quality service adapted to their needs.

This includes physical, digital and cognitive accessibility.

To ensure continuous improvement in management of its physical accessibility, Bankinter has implemented a Universal Access Management System (UAM), certified by AENOR under standard UNE 170001 and it has been implemented in the Bank's headquarters (Paseo de la Castellana, 29, Madrid) and in seven branches located in various different organisations.

Physical accessibility: Certification of the building in Alcobendas, Madrid according to standard UNE 170001 in universal accessibility.

Digital accessibility: establishment of the basis for continuing to develop websites of the new online banking with accessibility criteria, meeting standard WACG2.0 (Web Content Accessibility Guidelines)

Cognitive accessibility: development of the pilot project to promote the use of clear language in the pre-agreement document.

In 2017, the scope of this certification was extended to include the new landmark Bankinter building in Alcobendas, Madrid. In addition, the accessibility criteria included in the works manual have been applied in both the remodelled and new branch offices in Spain and Portugal.

Given the high percentage of banking transactions that Bankinter customers execute on remote channels, equipping these remote channels with the utmost accessibility has been considered a priority.

In terms of digital accessibility, the objective set is that both the contents and the services offered through the Bankinter websites are accessible for all its customers, in line with the recommendations of the World Wide Web Consortium (W3C) through its WACG 2.0 guidelines.

Among the accessible services provided by the Bank are the Braille coordinates card for phone transactions, monthly statements in audio and large print formats, an accessible video player, and the advisory service by video-calls in sign language.

With respect to cognitive accessibility, the bank has made a Clear Finance Dictionary available to customers. Developed by Bankinter in collaboration with the Instituto de Empresa, it has tried to explain the meanings of the most commonly used banking terms to make them easier for everyone to understand.

The new Commercial Protocol used by Bank employees includes service guidelines for differently abled people for each phase of commercial activity.

Advanced employee management

This line covers the voluntary adoption of internal social responsibility policies, that go beyond mere compliance with the law, seeking to attend to employees' needs as a strategic stakeholder group.

In addition to complying with regulations on risk prevention and occupational health, the Bank has a health and safety at work management system certified under OHSAS 18001 in work centres in Portugal.

Bankinter has also launched a series of initiatives to strengthen the wellbeing of its employees, in terms of their professional and personal life, such as Health Week, which includes ergonomics and nutrition courses, advice for optimising physical exercise, and the Summer School, where training and recreational courses aimed at promoting health and wellbeing are given.

In 2017, the Bank was once again awarded the family-responsible company (FRC) seal.

The bank's advanced people management was highlighted in 2017, in surveys conducted by Top Employer, and Merco Talento.



More information in the chapter 'People'

In 2017, the Bank was once again awarded the family-responsible company (FRC) certification.





Corporate volunteering

In 2017 Bankinter has introduced the new corporate volunteering portal, Mueve.te with the assistance of the Fundación Hazlo Posible (Make it Possible Foundation), with the aim of obtaining the engagement and involvement of the workforce, and of undertaking activities which have a major social impact; strengthening the Bank's organisational culture and developing new skills among volunteers.

In 2017, the proportion of the workforce involved in volunteer days remained at 14%. Participation was recorded of over 1,000 employees and their family members in a total of 84 technical, environmental and social activities, reaching a total of 1,617 direct beneficiaries.

Bankinter also wants to ensure financial integration through technical volunteering activities providing financial education programmes aimed at various different groups, with learning disabilities and/or sensory impairment, secondary school students, young entrepreneurs and people in risk of social exclusion. Such initiatives also helps to develop specific employee skills, such as having the ability to adapt so that they can communicate with anyone, regardless of their abilities and knowledge.

The following activities stood out in 2017:

Participation in the third edition of the 'Your Finances, Your Future' project, promoted by the Spanish Banking Association (AEB) with the collaboration of the Junior Achievement Foundation, its mission is to develop the skills and knowledge of secondary school students on managing personal finances.

Bankinter customised financial education programme. During 2017 this programme was delivered to groups from the Estudiantes/ Grupo Amás, Integra, Prodis, Ajuda de Mãe, Associação Novo Futuro foundations and Centro Educativo Caxias.

Financial education programme in sign language, together with CNSE (Spanish National Confederation of Deaf People). with the aim of providing accessible education and knowledge to deaf people through sign language, helping them to maintain their independence in relation to the use of banking terminology and transactions.

Mentoring programme. targeted at students with learning disabilities in the CAMPUS Project of the Carmen Pardo-Valcarce Foundation, in order to develop their skills and facilitate their social and occupational integration.

Mentoring project 'I've got potential', with the Portuguese Cadin Foundation, to help the integration into the workforce of young people with Asperger syndrome.

Company programme with the Junior Achievement Portugal Foundation, considered an example of good practice by the European Commission. This initiative aims to encourage the entrepreneurial spirit in secondary schools students.

'Brazo Directo' programme with the Junior Achievement Portugal Foundation, initiative which allows young people to experience the real business world by taking them to a workplace for a day.

Innovation Challenge programme with the Junior Achievement Portugal Foundation. An initiative which asks students to solve a problem based on a real situation from the business world.

Participation as the jury in the first Financial Innovation Camp organised by Junior Achievement Foundation and the AEB for third and fourth year secondary school students, who produce designs of apps that help with financial decision making.

Partnerships with the third (or voluntary) sector

The Bank establishes continuous dialogue with the communities in which it operates, whereby it identifies and attempts to respond to their needs, expectations and motivations. In order to establish valuable relationships with these communities, it enters into strategic alliances with local third-sector organisations.

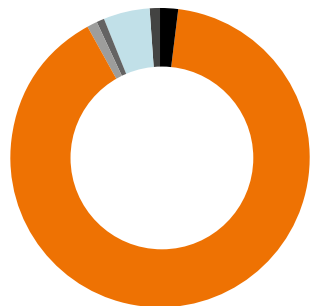
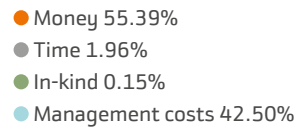
In order to efficiently manage its relationship with the third sector, the Bank has adopted the methodology developed by the London Benchmarking Group (LBG), which measures, manages, assesses and disseminates the

contributions, achievements and impact of social action in the community and in the environment.

As a member of the United Nations Global Compact Network Spain, Bankinter assumes the commitment to incorporate its ten principles into the Bank's business activities.

In addition, as a promoting partner of the Lealtad Foundation, a non-profit institution whose objective is to provide accreditation for associations and foundations involved in social action, development cooperation and humanitarian action that comply with the nine transparency and good practice

Given that they are a significant stakeholder, Bankinter strengthened its support for entrepreneurs, as the engine for revitalising the economy and a long-term source of job creation and wealth.



principles.

The Bank is a sponsor of Forética, an association of companies that promotes corporate social responsibility and sustainability in Spain and Latin America. It is also a member of the executive committee of its governing board.

The Bank also encourages dialogue with associations and foundations through the development of products and services for charitable purposes that it makes available to the third sector, such as the Bankinter Solidarity Card (the fees from which are given to social projects included in the Involvement and Solidarity programme).

The Bank has also been a pioneer in presenting Bizum Solidario, a service that facilitates micro-donations made using mobile phones without the need for an IBAN. To date the organisations that are part to this service are Cruz Roja Española, Cáritas, Acnur, Banco de Alimentos, Niños con Cáncer, Cooperación Internacional, Amigos de los Mayores and Aspanion Valencia.

Given that they are a significant stakeholder, Bankinter strengthened its support for entrepreneurs, as the engine for revitalising the economy and a long-term source of job creation and wealth. In addition to the Entrepreneurs programme developed by the Foundation, the bank supported the following initiatives:

Collaboration programme with SECOT (Spanish Seniors for Technical Cooperation) on a platform for both retired and active executives to enable them to convey their knowledge on a voluntary and altruistic

basis to innovative entrepreneurs and micro-enterprises through training programmes.

Collaboration agreement with the Integra Foundation to provide workshops on financial education and social and occupational inclusion.

Involvement in the organisation twelfth edition of the Mashumano Youth Awards, recognising those entrepreneurs who provide innovative, sustainable and socially responsible solutions. The Bank sponsored this year's event in the category, 'Best solution for helping to integrate differently abled people', taking part in the processes of selection, training and financing of the winner.

Financing of support workshops for young entrepreneurs with environmental impact initiatives, organised by the start-up Greenweekend, with five events held in 2017, as meeting points for green entrepreneurship.

Sponsorship of the young entrepreneur projects of the Junior Achievement Foundation in Portugal.

The following are some of the other solidarity initiatives carried out in 2017:

Holding of the sixth edition of the Involvement and Solidarity programme. A 360° initiative through which ten social projects are being financed, at a total amount of 55,000 euros. It involves various of the Bank's stakeholder groups: customers, who use the Bankinter Solidarity Visa; employees, who submitted 200 social projects; society, which participates in and disseminates the

project in the social networks; and the Bank's executives, who act as sponsor or 'godfather' to the projects.

Financing of the COCEMFE employee portal which in 2017 enabled the integration of women with disabilities into the workforce.

Organisation of the Bankinter Portugal Social Awards to recognise initiatives with a high social impact.

The fourth edition of the Innovation, Sustainability and Network Awards organised with Expansión and Viesgo, and with the technical advice of the IE Business School. Recognising the most outstanding projects by large and medium-sized companies and institutions that contain aspects of social and environmental responsibility.

Rollout of the Christmas campaigns: 'A Smile for Christmas' toy collection among employees, organised by Cooperación Internacional, a NGO providing for over 900 children in centres and associations for poor families throughout Spain. Campaign to provide leisure activities and visits for the elderly at the Terra dos Sonhos Foundation in Portugal. Campaign of food collections with food banks in Portugal.

Second edition of the Bankinter Madrid-Lisbon Solidarity Challenge. A virtual race in which the employees, families and friends run for a charitable cause, accumulating a total of 7,903 km. As a result of this initiative, a donation was made for a social mentoring project to the Junior Achievement Foundation.

Bankinter Innovation Foundation




The Bank is sponsor of the Bankinter Innovation Foundation, an organisation that promotes innovation and entrepreneurship as the driving forces in creating sustainable wealth in Spain and Portugal.



More information in the chapter 'Bankinter Innovation Foundation'

'Three in a row' plan Social dimension – 2017

Strategic lines	Objectives 2017	Compliance	Objectives 2018
Financial inclusion	Extension of the scope of the universal physical accessibility management system to the new building in Alcobendas. Development of a cognitive accessibility pilot project.		Development of digital accessibility. Extension of the universal physical accessibility system to the Bankinter Corporate University.
Advanced employee management.	Development of healthy company programmes I.		Development of healthy company programmes II.
Bankinter Innovation Foundation	Development of Innovation Foundation's four programmes in Spain and Portugal.		Development of Foundation programmes in Spain and Portugal. Implementation of an impact measurement system.
Volunteering	17% of the workforce is involved in volunteering activities. Deployment of a new volunteering management tool.		Corporate volunteering consolidation programme. Development of technical volunteering programmes for financial and entrepreneurship education.
Citizens	Development of programmes, alliances and collaborations with the third sector.		Development of dialogue with the third sector. Start up of Adaptive II project.
Social footprint management	Periodic measurement of the Bank's social footprint.		Redefinition of social footprint indicators.
Structure	Correlation model between the sustainable development objectives and the plan's strategic lines.		New alignment actions with the sustainable development objectives.

-  Completed
-  Underway
-  Not started

Environmental dimension

Bankinter maintains the firm commitment to address its environmental management by assuming the challenge and responsibility to operate in the most respectful way with the environment, taking the necessary measures to mitigate its direct and indirect environmental impact.

The Bank has an Environmental Policy in which it assumes responsibility for carrying out its operations in the manner most respectful to the environment and that focuses on strengthening positive impacts and minimising any negative impacts on the environment that may arise from its activities.

The Sustainability area is responsible for ensuring compliance with the policy's principles and ensuring the Bank's commitment to protecting the environment. The area coordinates the sustainability committee, which is the body responsible for guiding the Bank's environmental policy and programmes. All the areas involved in the development of a sustainable management model are represented on this committee. It has also set up an Environmental working group with the areas most involved, which periodically monitors the progress of the environmental indicators and the implementation and development of the environmental management system.

The environmental dimension includes the Climate change strategy and its 'Carbon footprint' project, through which the direct and indirect environmental impacts generated by the Bank's activity are identified, measured and controlled.

Similarly, the Bank's financing and lending policies also include environmental criteria. In addition, as mentioned in the chapter on the economic axis, at the end of 2016 Bankinter adhered to the Equator Principles whereby environmental and social analyses are carried out on all financing projects which, due to their classification, require them.

Responsible environmental management also extends to our suppliers and subcontractors and includes environmental certification criteria and environmental clauses in contracts where risk is considered to be greatest.

Similarly the bank collaborates with leading organisations which assess and evaluate its environmental performance, such as the Carbon Disclosure Project (CDP), of which Bankinter has been a signatory since its launch. The Bank is also a member of the CDP Water and CDP Forest Disclosure projects.

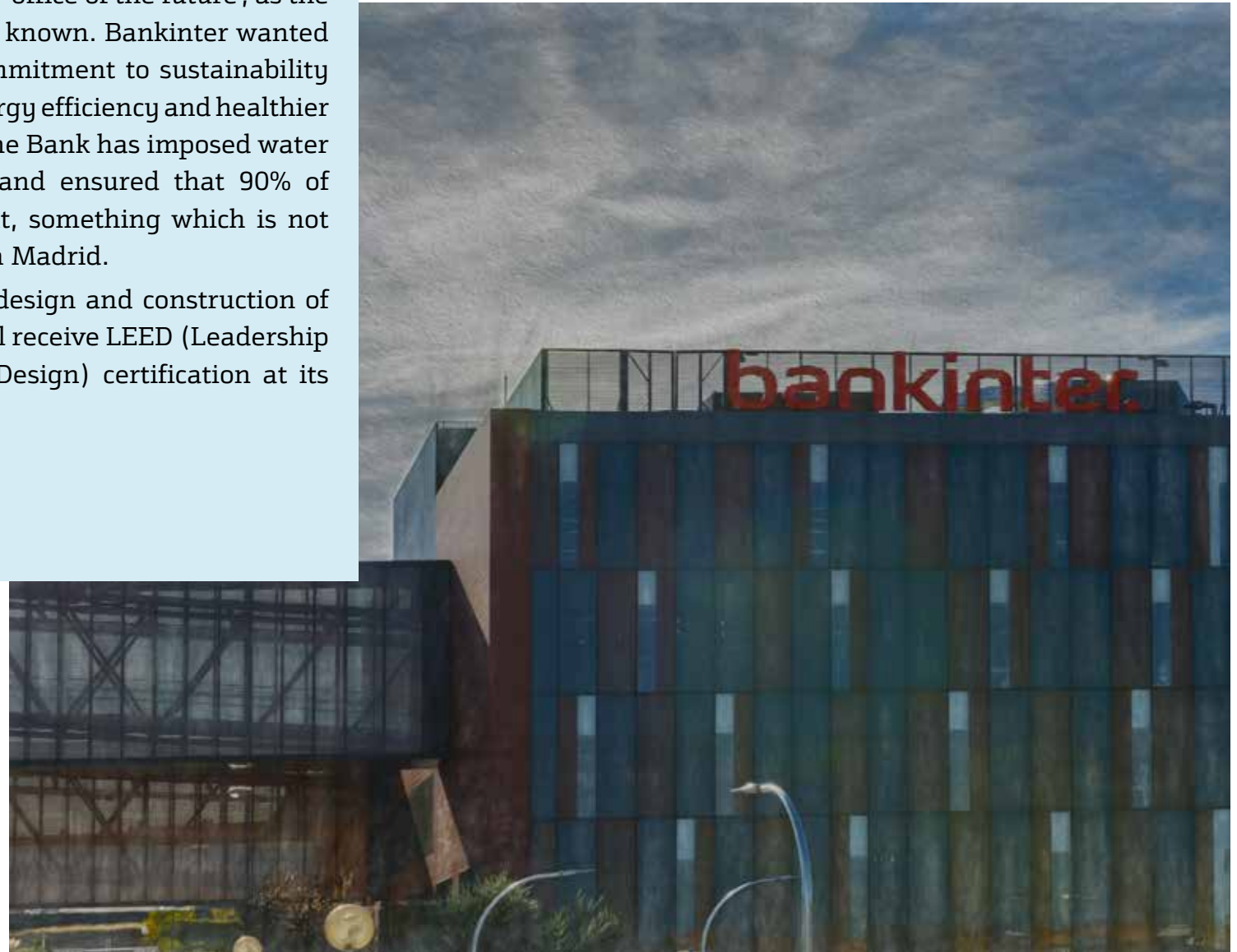
Objective:
Minimise negative impacts.
Maximise positive impacts.



[Go to the Environmental Policy](#)

In July 2017, Bankinter opened a new, sustainable, innovative and eco-efficient building in Alcobendas, Madrid, following the latest trends in the 'office of the future', as the most innovative workspaces are known. Bankinter wanted this building to adapt to its commitment to sustainability and it meets strict criteria for energy efficiency and healthier work environments. To do this the Bank has imposed water and energy saving measures, and ensured that 90% of work stations have natural light, something which is not commonplace in big buildings in Madrid.

All the work carried out in the design and construction of the Bank's new headquarters will receive LEED (Leadership in Energy and Environmental Design) certification at its maximum rating of platinum.



Strategy for climate change

Bankinter has a good rating in the sustainability indexes with regard to its climate change strategy, although it is aware that the expectations of its stakeholders are increasing. Also, in 2018 the new Climate Change Law will be published and there are recommendations of the Financial Stability Board which indicate that financial institutions need to manage climate change risks and opportunities in the short, medium and long term.

In the challenge that climate change raises, every actor must identify their role. And although the financial sector is not a carbon-intensive industry, the financial institutions have a major role in the transition to a low-carbon economy.

Therefore, the Bank's responsibility to the environment does not rest so much in managing the direct impact of its activity on its surroundings (something which it has been managing for over a decade), but rather in its identification and management of its indirect impact, in other words, that which is created by the application of its financing and lending policies.

Bankinter has defined a road map for itself to become carbon neutral that includes formulas both for the reduction of emissions through eco-efficiency programmes, and for neutralisation (green energy purchase), and offsetting (indirect purchase of carbon rights for reforestation and conservation projects).



First prize in the XIII edition of the Environmental Photography Awards. Nuno Salvador - Seine fishing (Arte Xávega)

At the same time it is working on identifying its indirect impacts, that is, in ascertaining its actual contribution to climate change and the loss of biodiversity.

In this regard, Bankinter is leading the pilot project in Spain together with the Natural Capital Coalition (an initiative driven by the United Nations Environment Programme), to develop a specific guide for the financial sector to help the impacts on natural capital to be identified and managed: the 'Natural Capital Protocol guide for the financial sector'. This project will show:

- What the environmental impact of their investment policies is in relation to natural capital, not only in terms of emissions, but also of the impact on terrestrial and marine biodiversity, and on natural resources (such as water and land use).
- What the weight and risk of each of the sectors in which it invests is, with respect to future regulations.



**NATURAL
CAPITAL
COALITION**

Carbon Footprint

Bankinter has been calculating its overall carbon footprint since 2009 in its three emission ranges: direct (consumption of fossil fuels and possible leakage of refrigerant gases), indirect (electricity consumption) and induced (travel and paper consumption, among other impacts).

In 2017, Bankinter's calculation of its organisational carbon footprint, this time including the Bank's business in Portugal, was verified by an external company, SGS, in accordance with the Greenhouse Gas Protocol and in line with the requirements of the Intergovernmental Panel on Climate Change.

Bankinter once again registered its carbon footprint (the one calculated for 2016) in the Ministry of the Environment's Carbon Footprint Registry, once again being awarded the 'Reduzco' seal for having reduced the intensity of its emissions in recent years.



Total emissions 2017 (TCO ₂ E)	Spain					Portugal				
	Direct	Indirect	Induced	Totals	%	Direct	Indirect	Induced	Totals	%
Company transport			3,044.28	3,044.28	17.1%			125.06	125.06	4.9%
Commuting			5,174.96	5,174.96	29.0%			974.12	974.12	38.4%
Paper and toner consumption			76.68	76.68	0.4%			11.44	11.44	0.5%
IT equipment			880.77	880.77	4.9%					
Furniture			65.48	65.48	0.4%			11.35	11.35	0.4%
Electricity consumption		7,877.49		7,877.49	44.2%		1,395.91		1,395.91	55.0%
Customer electricity consumption			272.05	272.05	1.5%					
Heating consumption	392.80			392.80	2.2%					
Refrigerant gases	0.00			0.00	0.0%	1.93			1.93	0.1%
Generators	13.56			13.56	0.1%	0.40			0.40	0.0%
Waste			3.63	3.63	0.0%			0.63	0.63	0.0%
Cleaning products			1.05	1.05	0.0%					
Maintenance travel								13.20	13.20	0.5%
Water consumption			15.05	15.05	0.1%			2.83	2.83	0.1%
TOTAL	406.37	7,877.49	9,533.95	17,817.80	100%	2.33	1,395.91	1,138.63	2,536.88	100%

In 2017, Bankinter's business in Spain produced a total of 17,817.80 tonnes of CO₂ equivalent, 3.8 tonnes CO₂/per employee (down 0.2% on 2016).

Scope 1 (direct) emissions totalled 406.4 tonnes of CO₂ in Spain. This is a 2.5% reduction on 2016 in absolute terms. These emissions declined by 5.8% in terms of emissions per employee.

Scope 2 (indirect) emissions increased slightly by 0.7% in absolute terms. However, emissions per employee fell by 2.7%. Total emissions in this scope are 7.887,5 tonnes of CO₂ equivalent (1.7 tonnes CO₂ per employee).

Total scope 1 and 2 emissions per employee fell by 2.8% with respect to 2016, thanks to the various energy efficiency measures implemented in recent years, such as the shift to LED lighting, improvements in automation and HVAC and the replacement of equipment with more eco-efficient designs.

Scope 3 (induced) emissions increased by 5.7% (2.2% per employee), mainly due to the acquisitions of IT equipment and business trips due to increased commercial activity, in line with the financial results presented by the entity in 2017.

In the case of the Bank's activity in Portugal, the direct emissions totalled 2,33 tonnes of CO₂ (0.02 tonnes of CO₂ per employee), a total of 1,395.91 tonnes of CO₂ (1.6 tonnes per employee) in indirect emissions and a total of 1.138,63 tonnes of CO₂ (1.3 tonnes per employee) in induced emissions. NB. These data are not comparable with those for 2016, as the banking business in Portugal only began in 2Q 16.

	Spain			Portugal
Direct CO ₂ emissions (Tn)				
	2016	2017	% 2016-2017	2017
Gas/diesel consumption and gas refills	416.88	406.37	-2.52%	2.33
Emissions per employee	0.09	0.09	-5.81%	0.002

Source: MAPAMA 2016

* Emissions for 2016 were updated with the data from the last bills received. (G4-22)

	Spain			Portugal
Indirect CO ₂ emissions (Tn)				
	2016	2017	% 2016-2017	2017
By Electricity consumption	7,819.56	7,877.49	0.74%	1,395.91
Emissions per employee	1.72	1.67	-2.66%	1.66

Source: MAPAMA 2016

* Emissions for 2016 were updated with the data from the last bills received. (G4-22)

	Spain			Portugal
Induced CO ₂ emissions (Tn)				
	2016	2017	% 2016-2017	2017
Business travel	2,943.63	3,044.28	3.42%	125.06
Business trips	5,114.87	5,174.96	1.17%	974.12
Water	14.60	15.05	3.04%	2.83
Paper	49.93	47.02	-5.84%	8.51
Toner	34.26	29.66	-13.42%	2.93
Waste	12.60	3.63	-71.22%	0.63
IT equipment	515.32	880.77	70.92%	-
Furniture	65.47	65.47	0.00%	11.35
Customer electricity consumption	264.69	272.05	2.78%	-
Cleaning products	1.05	1.05	0.00%	-
Maintenance travel	-	-	-	13.20
Total	9,016.44	9,533.95	5.74%	1,138.63
Emissions per employee	1.98	2.03	2.17%	1.35

Source: MAPAMA 2016

* IT equipment, furniture and cleaning products: estimates made taking into account the purchase of these materials.

* Customer electricity consumption: estimate made taking into account registered connections of clients to Bankinter website, the average duration of this and the average consumption of a computer.

* Portugal. IT equipment is recognised in the emissions for Spain.

Indicators of eco-efficiency and sustainable use of resources

The company has identified the main eco-efficiency indicators of its activity to be measured and controlled so as to implement all necessary measures to ensure optimum environmental performance. This means minimising its carbon footprint and in the strategy for mitigating climate change.

Two important milestones occurred in 2017 which had an effect on the trends shown in environmental indicators: the inauguration of the new corporate headquarters in Alcobendas, Madrid and the transfer of most of central services in Portugal to the headquarters in Marques de Pombal, Lisbon. It is expected that in 2018, when both headquarters are both fully operational, there will be a return to the normal downward trend of all the environmental indicators.

Indirect energy consumption by the Bank is from electricity consumption. This is the main source used by Bankinter (93% of total energy consumed) and its consumption has gradually been reduced in recent years as a result of the savings measures adopted, which have enabled a fall of 2.1% in consumption per employee with respect to 2016.

At the end of 2016, energy audits were carried out at the Bank's buildings as required under prevailing legislation to assess the energy management carried out so far (such as the upgrade of equipment to more efficient models, replacement of lightbulbs with LEDs and smart meters for consumption) and established continuous improvement plans for the future, which have started.

The distribution of electricity consumption by energy sources has been determined according to the structure of energy sources in Spain, and is calculated according to the Spanish electricity mix published by Red Eléctrica de España for 2016.

In terms of consumption of natural gas and diesel, increases (2%) have been identified in absolute terms in relation to 2016, due, in large part to the increase in staff in the Bank's main buildings (there has been a fall of 1.4% in consumption per employee in relative terms).

However, it should be noted that the consumption of these fossil fuels represents only 7% of the total energy consumed by Bankinter in Spain.

In absolute terms, the Bank's energy consumption in Spain has increased by 0.8%. However, this has meant a 2.6% reduction in energy consumption per employee, which gives an idea of the efforts being made in eco-efficiency improvements.

The tables show the comparison of consumption data for Bankinter in Spain in relation to 2016, and data on the activity of Bankinter in Portugal for 2017.

	Spain			Portugal ⁽¹⁾
Evolution of energy consumption (GJ)				
	2016	2017	% 2016-2017	2017
Electricity	82,795	83,409	0.7%	13,234
Diesel consumption,	1,869	1,248	-33.2%	6
Natural gas consumption,	4,789	5,547	15.8%	0
Total	89,454	90,204	0.8%	13,240
Total per employee	19.66	19.16	-2.6%	15.70

* When all consumer bills of the year have not been available at the time of the information collection, an annualization has been made to 365 days to obtain the data for the full year. The consumption data for 2016 has been updated based on the final invoice data, (G4-22).

*In Portugal there are no teams that consume natural gas and the only consumption of diesel is due to testing of generators.

	Spain			Portugal ⁽¹⁾
Growth of water consumption (m ³)				
	2016	2017	% 2016-2017	2017
Total	45,488	46,871	3.0%	8,828
Total per employee	10.00	9.96	-0.4%	10.47

* The calculation of water consumption in the branch network is estimated by extrapolating the ratio per employee of a sample of six branches with independent and non-community water meters.

	Spain			Portugal ⁽¹⁾
Growth of paper consumption (Tn)				
	2016	2017	% 2016-2017	2017
Total	385	376	-2.3%	75
% recycled A4 and A3 paper	100	100		100
Total per employee (%)	0.02	0.02	-3.4%	0.08

* The paper consumption data refers to the consumption of DIN A4, DIN A3 and envelopes.

Energy sources			
	2016	2017	% 2016-2017
Renewable	32,870	33,113	39.7%
Cogeneration	8,362	8,424	10.1%
Natural gas consumption,	8,611	8,675	10.4%
Coal	11,343	11,427	13.7%
Nuclear	18,215	18,350	22.0%
Other	3,395	3,420	4.1%
Total	82,795	83,409	100.0%

(1) Comparative data with 2016 is not shown, as 2017 was the first year they were externally assured.

Bankinter acquires paper according to demanding environmental criteria. It is 100% recycled and bears the Blue Angel and Nordic Swan ecolabels.

Among the measures that the Bank has implemented for the reduction of paper consumption, one of the most notable is the biometric signature solution, which was set up in fixed positions in branch offices and which has been extended in recent years to various operations and products, such as: investment fund agreements, current accounts, deposits, pension plans and so on. Tablets have been distributed among office employees so that clients can carry out operations with a digital signature.

Another important milestone in 2017, related to this aspect was the digitalisation of the process of hiring employees. As well as the digital signature of the contract, all the documentation associated with each employee goes to forms part of a personal digital archive, thereby reducing the paper requirements.

In addition, customer information campaigns have been maintained to replace paper correspondence receipt with the web correspondence model.

Thanks to these savings measures, there has been a year on year decline of 2.3% in paper consumption in Spain compared with 2016 (3.4% per employee).

In the case of electronic waste, the replacement of existing with more efficient equipment, the management of confidential information equipment and the start of activity in Portugal influenced the large quantity of this type of waste managed in 2016. In 2017, these levels returned to normal.

In 2017, Bankinter offset its annual direct emissions of 2016 from its business activity in Spain and Portugal (441 tonnes of CO₂) through the Zero CO₂ initiative of the Ecology and Development Foundation in the Conservation of the Amazon project in Madre de Dios in Peru.

	Spain		Portugal	
Evolution in waste management (kg)				
	2016	2017	% 2016-2017	2017
Paper and cardboard	146,147	154,954	6.0%	42,834
Toner	306.26	461.26	50.6%	142.92
Electronic equipment	36,191	6,795	-81.2%	-

*The electronic equipment of both countries are recognised in Spain, because they have been managed by the same authorised company.



Second prize in the XIII edition of the Environmental Photography Awards. Luis Anselmo Gallego - Enjoying Ha-Long Bay, Vietnam, in kayak.

Environmental management system

Bankinter has an environmental management system (EMS), certified according to the UNE EN ISO 14001, standard to guarantee the continuous improvement of its environmental performance. During 2017, this system was adapted to the new version of the standard published in 2015 and the scope was extended to include the new building in Alcobendas. This means that the management system currently includes the Banks four landmark buildings in Madrid (Paseo de la Castellana, Tres Cantos, the two buildings in Alcobendas), and a branch office.

The Internal Audit area participates in the annual verification process required for certification.

In Spain, 42% of the bank's staff is covered by this environmental certification. Portugal too has a certified environmental management system, which in 2017 saw its scope extended to include the new headquarters in Marqués de Pombal, Lisbon (it also includes the Torre Oriente building) and covers 49% of the workforce. In total, 43% of the bank's workforce is covered by this certification.

In its annual environmental management programme, Bankinter includes a series of objectives and goals aimed at optimising consumption and correct waste management; the reduction of emissions to the atmosphere and the programming of communication campaigns, awareness-raising and training of employees on good environmental practices. These are detailed below:

Objective 1: Reduce direct emissions (Spain)

What did we do in 2017?

Exhaustive control of possible leaks of refrigerant gases.
Control of consumption at the bank's properties through smart meters.

KPI	2017	2017 Target	2018 Target
Tonne CO ₂ e / employee	0.09	✓ (-1%)	(-1%)

* Direct emissions have been reduced by 5.8% per employee in Spain.

Objective 2: Reduce electricity consumption (Spain)

What did we do in 2017?

Substitution of existing by more efficient equipment.
Improvements in automation

KPI	2017	2017 Target	2018 Target
MWh/employee	4.92	✓ (-2%)	(-2%)

* Electricity consumption has been reduced by 2.1% per employee in Spain.

Objective 3: Reduce our induced emissions (Spain)

What did we do in 2017?

Use of digital communication platforms.
Awareness campaigns and good environmental practices, web mail campaigns.

KPI	2017	2017 Target	2018 Target
Tonne CO ₂ e / employee	2.03	× (-1%)	(-1%)

* Emissions from business trips have increased significantly due to increased commercial activity and the acquisition of IT equipment (increase of 2% in tn/employee).

Objective 4: Offset emissions

What did we do in 2017?

Offset direct emissions

KPI	2017	2017 Target	2020 Target
Tonne CO ₂ offset	441	✓ Direct emissions	Carbon neutrality

Objective 5: Reduce paper consumption (Spain)

What did we do in 2017?

Awareness campaigns and good environmental practices, web mail campaigns for customers. user access for printers.

KPI	2017	2017 Target	2020 Target
Tonne of paper/employee	0.02	✓ (-2%)	(-2%)

* Paper consumption was reduced by 3.4% per employee in Spain.

Bankinter Portugal 2018 objectives

What did we do in 2017?

Development of various initiatives to improve eco-efficiency.

KPI	2017	2018 target
Tonne of paper/employee	0.08	(-2%)
Mwh electricity/employee	4.36	(-1%)

Influence on stakeholders

The Bank has different communication channels, both internal and external, for the circulation of its various social and environmental initiatives, thus promoting the participation of all its stakeholders.

In addition to this annual report, the environmental portal and the blog, which offers opinion, reflection and debate between all employees, are also available.

The awareness-raising actions targeted at employees include the following:

Environmental website. Provides the Bank's workforce with news about activities of both internal and external environmental interest. Employees also have a suggestion box available to them.

Sustainability section in the Bankinter blog. This is an independent section whose publications are also disseminated through the Bank's social networks (Facebook, Twitter, LinkedIn and Google+).

Collaboration in and financing of workshops in support of young green entrepreneurs, organised by the start-up Greenweekend. In 2017, Bankinter collaborated in five events.

XIII edition of the Environmental Photography Awards. The event, which was held in 2017 under the slogan 'Sustainable Tourism', attracted entries from employees from Spain and Portugal.

Environmental Photography Awards in social networks. For the first time, an environmental photography competition was held for the Bank's followers on social networks with the slogan 'Sustainable Tourism'. The competition was well received and over 800 photographs were sent in.

Support for 'Earth Hour' campaign. This is a WWF initiative to reduce CO2 emissions. To support it, the lighting of all Bank properties was turned off and various other devices were disconnected. The participation of employees and customers was also encouraged.



Eco-efficiency Prize in Portugal, a competition where employees suggest their ideas for internal eco-efficiency.




Bankinter has continued participating in the Climate Change Cluster promoted by WBCSD (World Business Council for Sustainable Development). It forms part of the cluster of 50 companies from various sectors. Throughout 2017, the group has focused in particular on the impact of climate change on cities, the upcoming Climate Change Law in Spain and the role that companies will play in that, along with the possible ways companies can adapt to climate change.



Third prize in the XIII edition of the Environmental Photography Awards. Mireia Romero - Orchha, India

'Three in a row' plan Environmental dimension – 2017

Strategic lines	Objectives 2017	Compliance	Objectives 2018
Strategy for climate change	Implementation of actions resulting from energy audits. Reduction of the intensity of the carbon footprint per employee by 1%. LEED certification for new building in Alcobendas, Madrid.		Identification of the impact of the Bank's loan book and financing on natural capital.
Environmental management system.	Increased scope of SGA. ISO 14001:2015 certification. Reduction of energy consumption per employee by 2%. Reduction of paper consumption per employee by 2%.		Buying green energy as a mechanism for offsetting emissions. Campaign to reduce paper consumption. Improvement of eco-efficiency per employee indicators by 2%.
Structure	New online environmental course for employees. Correlation model between the sustainable development objectives and the plan's strategic lines.		New online environmental course. New alignment actions with the sustainable development objectives.

-  Completed
-  Underway
-  Not started