

2018 ANNUAL REPORT

Sustainability



Generation of responsible value

At Bankinter, sustainable management is carried out in line with the Three-in-a-Row Plan, which has three dimensions (economic, social and environmental). It was approved in 2016 and runs until 2020. Its objective is to generate value, responding to the needs and expectations of Bankinter's interest groups in Spain and Portugal, where the bank undertakes the large part of its activities.



Go to the sustainability policy

The plan is based on the Sustainability Policy that was established in January 2016 to contribute to social prosperity and sustainable development of the environment, around its three strategic pillars (quality, innovation and technology), and in line with its corporate values of agility, enthusiasm, integrity and originality.

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

Bankinter complies, in its 2018 Group Management Report, to the provisions of the Law on Non-Financial Information and Diversity, which transposes EU Directive 2014/95 into Spanish law.

In anticipation of this new legal framework, the bank has reported information on social, employment and environmental management, anti-corruption and bribery policies, diversity in governing bodies and human rights for a number of years.

As part of the sustainability strategy, in addition to other factors, the following are essential:

- The consideration of regulations, such as the Good Governance Code of Listed Companies of the CNMV, and their application in Bankinter.
- The analysis of the results of the assessments of the most prominent sustainability indexes and rating agencies (DJSI, FTSE4Good, MSCI, Vigeo Eiris, etc.).
- The monitoring of international trends and reporting frameworks (GRI G4, IIRC, ISO 26000, SGE 21 and the new version of ISO 14001).
- The consideration of the best practices of global sector leaders.
- The analysis of the results of employee and customer satisfaction surveys.
- Analysis of the Reprack reputation measurement model
- Inclusion of the United Nations Sustainable Development Goals (SDG), established by the United Nations, as part of sustainability management.

Materiality analysis

Bankinter identifies the aspects of its activity that have the biggest impact on the environment by setting up a dialogue management system with its stakeholders. The system responds to the guidelines set by the international framework for non-financial reporting, Global Reporting Initiative.

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 Banco de España Multi-channel banking	Director of Quality Director of Legal Counsel
Regulatory bodies (Banco de España, 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

As a member of the United Nations Global Compact Network Spain, the Bank has identified several of the SDGs to which it can make the greatest contribution, and, therefore, has incorporated them into its strategies, these include: Quality education (SDG 4); Creation of employment and economic growth (SDG 8), Reduced inequalities (SDG 10), Climate action (SDG 13) and Strategic alliances (SDG 17) into its strategy.

Target	Targets	Initiatives undertaken	Challenges
	<ul style="list-style-type: none"> Between now and 2013, remove all gender inequalities in education and ensure safe access to all levels of education and professional training for vulnerable individuals, including people with disabilities, indigenous people and children in situations of vulnerability Between now and 2013, ensure that all students acquire the theoretic and practical knowledge required to promote sustainable development, in addition to other aspects, through education on sustainable development and sustainable lifestyles, human rights, gender equality, promoting a peaceful and non-violent culture, world citizenry and appreciation of cultural diversity and the contribution of culture to sustainable development Build and adapt educational establishments based on the needs of disabled children and adults and gender differences, offering safe, non-violent, inclusive learning spaces that are effective for everybody Between now and 2013, considerably increase the number of qualified teachers, including by means of international cooperation to train teachers in developing countries, in particular in less developed countries and small developing island states 	<ol style="list-style-type: none"> Financial education volunteering programme for different groups: <ul style="list-style-type: none"> Primary and secondary school students. Groups at risk of social exclusion. People with a disability. Training volunteering programme for workplace preparation for groups at risk of exclusion. Make the corporate training centre accessible, to provide individuals with disabilities with access to training on equal terms. <ul style="list-style-type: none"> Universal Accessibility Management System at the Bankinter Corporate University. Technical volunteering programmes for senior management in developing countries. Online workforce training on financial education. 	<ul style="list-style-type: none"> Development of the financial education volunteering programme. Equality and diversity training. Classroom training on assisting people with disabilities. New online financial course
	<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 new 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. Development of Foundation programmes: Emprendedores, Cre100do. Extension of the scope of the universal accessibility management system to new work centres
	<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"> Development of monitoring methodology and control of the Human Rights policy. 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. 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"> Definition of a Diversity policy Extension of the scope of the accessibility systems to new work places. Development of products with a high social impact. Development of family responsible company (EFR) in Portugal. Development of Foundation programmes: Akademia, FTF Development of financial education programmes adapted to various groups. Training and awareness aimed at integration.

Target	Targets	Initiatives undertaken	Challenges
	<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"> Investment 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: FTF Identification of the impact of lending and financing operations on natural capital. Buying energy from renewable sources. Neutralisation of CO₂ emissions. Training employees and raising awareness of customers. Climate change awareness-raising and communication campaign.
	<ul style="list-style-type: none"> Encourage and promote the construction of effective alliances in public, public-private and civil society circles, harnessing experience and strategies for obtaining resources from alliances. Improve the Global Partnership for Sustainable Development, complemented by alliances between different interested parties, who mobilize and exchange knowledge, specialisation, technology and financial resources, in order to support the attainment of SDGs in all countries, in particular in developing countries. Increase global macroeconomic stability, including through policy coordination and consistency. Improve the consistency of policies for sustainable development. Respect policy space and the leadership in each country to establish and apply policies to eradicate poverty and for sustainable development. Between now and 2030, harness the existing initiatives to produce indicators that make it possible to measure progress with sustainable development and complement gross domestic product and support the creation of statistical capacity in developing countries. Promote adherence to international initiatives related to sustainable finances and climate risk management. Promotion of sector actions on sustainable development 	<ol style="list-style-type: none"> Bankinter forms part of different working groups in alliance with other countries who seek to promote sustainable development, adequate risk management, etc.: <ul style="list-style-type: none"> Climate Change Cluster Transparency and Corporate Governance Cluster Social Impact Cluster LBG Spanish Network of the Global Compact Forética Diversity Charter Fundación Lealtad Network of Companies Adecco Foundation ONCE Foundation SECOT COCEMFE Sponsorship of events with other companies and administrations, to support environmental and social ventures that support the development of new companies, technologies and projects: <ul style="list-style-type: none"> Greenweekends Circularweekends Premios Jóvenes Más Humanos Participation in the creation of the guide for the financial sector of Natural Capital Protocol, to measure impacts and dependencies on natural capital, along with another eight international firms. 	<p>Creation of new alliances:</p> <ul style="list-style-type: none"> UNEPFI: responsible finances initiative Adherence to work groups as part of the Task Force on Climate related financial disclosures.

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
- 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

Last year, Bankinter was included on the Dow Jones World Sustainability Index, as one of the top twenty-seven banks in terms of Corporate Governance and environmental and social performance worldwide. It also received important recognition for its high level of transparency in its Corporate Governance reports.

The bank, in addition to being included on the Dow Jones World Sustainability Index for the first time in its history, has also been named on other noteworthy sustainability indexes (FTSE4Good, MSCI or Carbon Disclosure Project) and features in the Sustainability Yearbook drawn up by Robeco SAM.

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

In the corporate governance chapter of this report, considerable information is provided on the size and composition of the Board of Directors, member selection process, diversity, succession plans and so on.

In 2018, Bankinter received the Alembeeks Award in the category of Best Governance Disclosure, in recognition of its transparency in this area considering the content of its Annual Corporate Governance Report.

The bank, in addition to being included on the Dow Jones Sustainability Index for the first time in its history, has also been named on other noteworthy sustainability indexes



More information in the Corporate Governance Report.

Sustainable practices

Bankinter, as part of its Risk Management and Control Framework, has defined Investment Sustainability Principles. Furthermore, it has established financial guidelines that allows it to develop measures and references that the bank must follow in its decision-making process, considering the best practices and international standards.

Customer orientation

This line includes service quality and customer satisfaction management. The main indicator that measures this management, the NPS, comfortably beat the target set for 2018, reaching 30%.



More information in the 'Quality' chapter

Socially responsible investment

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 projects. In 2018, nine new projects to which these principles apply were financed, all in Spain and the renewable energy sector. Seven were graded B and two C. Investment came to €140.5 million.

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 in the financing offered by Bankinter. Over the course of 2018, the Bank took part in renewable energy projects (photovoltaic and wind energy, among others).



Sustainable products

The main Bankinter products that incorporate various attributes of sustainability in their design are as follows:

Bankinter Sustainability Fund. It invests in equities that are on the main social and environmental responsibility indices.

Energy Efficiency and Environment Fund. Invests in equities of companies involved in improving the efficiency of energy use and transport, the storage of electricity, automation and the improvement of industrial productivity, reduction of the environmental impact of using fossil fuels and renewable energies

Responsible investment funds. The Bank makes more than 250 funds of international prestige that invest with responsible criteria available to its customers. 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.

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 automation) and 2.5% in CPE Private Equity LP (clean technologies).

Since 2017, the bank has maintained an alliance with Plenium Partners to create Helia Renovables, a venture capital fund, and in 2018, a second fund was incorporated to invest in the renewable energy business.

InnovFin agreement. The bank has increased its support of the Innovfin2014 programme, within the scope of Horizon 2020, to €250 million. 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. This 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 2018 by 18,308 customers, who placed 208,685 orders for the amount of €68.6 million. Hal-Cash provides access to financial services to groups that do not have bank accounts.

Responsible supplier management

Bankinter has a Suppliers Code of Conduct which constitutes a set of basic principles of practice and rules of professional conduct that ought to govern the actions of all its suppliers and establishes the ethical values that have traditionally existed in relations with them.

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



More information in the 'Suppliers' chapter

Average period of payment to suppliers

20 days

'Three-in-a-Row' plan Economic Dimension - 2018

Strategic lines	2018 Objectives	Compliance	Objectives 2019
Good Governance	Development of monitoring mechanisms of the Human Rights policy.		Monitoring the implementation of the Human Rights policy
Sustainable practices	Training in the new directives associated with regulatory changes.		Staff training: course on the code of ethics
Customer-oriented services	Bank NPS > 30%.		Bank NPS > 36.5%.
Socially responsible investment	Development of processes for the application of environmental, social and governance criteria in financing.		Staff training in Socially Responsible Investment
Sustainable products	Launch of new sustainable products Measurement of social/environmental impact of products.		Launch of new sustainable products
Responsible management of suppliers	Development of procedures for the application of ESG criteria in the supplier certification process. ESG weighting of main suppliers.		Training suppliers on CSR matters
Structure	New alignment actions with the sustainable development objectives.		New alignment actions with the sustainable development objectives

-  Completed
-  In development
-  To be commenced

Social dimension

Bankinter has implemented a series of mechanisms to identify the needs, expectations and motivations of its internal and external stakeholders, with a view to providing them with a response through a wide range of advanced occupational and social management programmes.

These programmes are oriented towards improving the bank's performance in relation to its internal and external stakeholders.

Accessibility and financial inclusion

The Bank's inclusive strategy is set out in its A bank for all programme, which reflects 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.

The accessibility strategy addresses both physical and digital and cognitive accessibility.

Bankinter has an AENOR-certified Universal Access Management System (UAM), under standard UNE 170001, and it has been implemented in the Bank's headquarters in Madrid, at the Alcobendas building, and in seven branches.

In 2018, the scope of this certification was extended to the Bankinter Corporate University, which is the centre where face-to-face training is imparted to all employees; it is located in Tres Cantos.

In addition, the accessibility criteria included in the works manual were applied in both the remodelled and new branch offices in Spain and Portugal.

In terms of digital accessibility, the objective 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.

The Bank offers, for example, 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.

In terms of digital accessibility, the objective set is that both the contents and the services offered through the Bankinter websites are available to its customers



In relation to cognitive accessibility, the bank has made a Clear Finance Dictionary available to customers, developed in collaboration with the Instituto de Empresa, adapting the meanings of the most commonly used banking terms to make them easier for everyone to understand.

The Commercial Protocol for bank employees also includes service guidelines for differently-abled people for each phase of commercial activity.

Advanced employee management.

In addition to complying with regulations on risk prevention and occupational health, Bankinter has a system certified under OHSAS 18001 at its main work centres in Portugal.

To enhance the wellbeing of its employees, both professionally and personally, the bank runs: the Saludablemente programme; Health Week, which includes everything from ergonomics and nutrition courses to advice for getting the most out of physical exercise; and the Summer School, where both training and purely recreational courses are delivered, aimed at acquiring certain skills, promoting health and wellbeing.

In 2018, the Bank was once again awarded the family-responsible company (EFR) seal.

The bank's advanced people management was highlighted in 2018, in surveys conducted by Top Employer, and Merco Talento.



More information in the 'Human factor' chapter

In 2018, Bankinter was once again awarded the family-responsible company (EFR) seal.



Corporate volunteering

Bankinter has a corporate volunteering portal, Mueve.tewith, which seeks to promote the social and environmental engagement and involvement of the workforce, to undertake activities which have a major environmental impact. This programme also strengthens the organisational culture of the bank and helps participating volunteers to develop new skills.

In 2018, the proportion of the workforce involved in volunteer days rose to 20%. Participation was recorded of over 1,000 employees and their family members in a total of 98 technical, environmental and social activities, reaching a total of 3,481 direct beneficiaries.

Bankinter promotes financial integration through technical volunteering activities in the delivery of financial education programs. Recipient groups to whom this training is imparted includes: individuals with intellectual and/or sensorial disabilities, secondary school and baccalaureate students, young entrepreneurs or people at risk of social exclusion. Such initiatives help to develop specific employee skills, such as having adapting communications to everybody, regardless of their abilities and knowledge.

The following activities stood out in 2018:

Participation in the 4th edition of the Tus finanzas, tu futuro programme, promoted by the Spanish Banking Association (AEB), in cooperation with the Junior Achievement Foundation. Its mission is to develop the skills and knowledge of secondary school and baccalaureate students on managing domestic economy.

Bankinter customised financial education programme. In 2018, out was rolled out to groups at risk of social exclusion from the Integra Foundation and people with disabilities from the A LA PAR Foundation.

Financial Education Programme Lifetime Accounts. Imparted in Portugal to beneficiaries of the Centro Educativo Caxias and the 'Ajuda de Mãe' Association.

High impact technical volunteering programme, in collaboration with the Harambee Foundation. Developed at Strathmore University (Nairobi, Kenya), the aim of which is to provide value in the form of risk management knowledge at financial institutions. Participating volunteers were also offered a unique, enriching experience for the development of senior management leadership at the bank.

Mentoring programme. targeted at students with learning disabilities in the CAMPUS Project of the A LA PAR Foundation, in order to develop their skills and facilitate their social and occupational integration.



Brazo Directo programme, with the Junior Achievement Portugal Foundation. This initiative allows young people to experience the real business world by taking them to one of the Bank's workplaces for a day.

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

Partnerships with the third (or voluntary) sector

In the communities in which it operates, Bankinter establishes strategic alliances with voluntary organisations, receiving support from them to identify and responds to local needs.

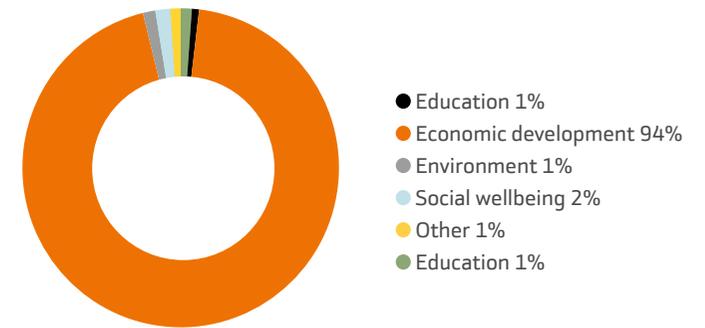
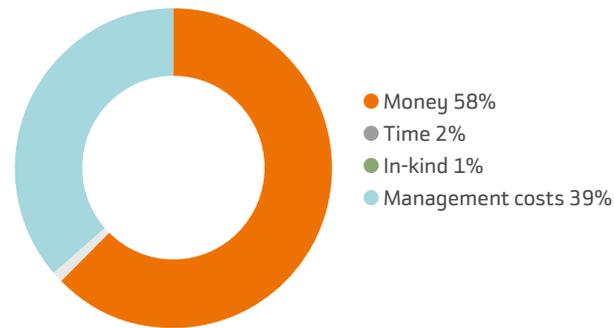
As a member of the United Nations Global Compact Network Spain, Bankinter assumes the commitment to incorporate its ten principles into the Bank's business activities.

Bankinter is 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 principles.

The Bank has also served on the Governing Board of Forética, a leading association of companies that promotes corporate social responsibility and sustainability in Spain and Latin America.

Measurement of social impact

In order to improve the effectiveness of its social endeavours, the entity has adopted the methodology developed by the London Benchmarking Group (LBG) which measures, manages, assesses and disseminates the Bank's contributions, achievements and impact of social action in the community and in the environment.



In the communities in which it operates, Bankinter enters into strategic alliances with voluntary organisations.



To support the work of voluntary associations, Bankinter develops products and services for charitable purposes that it makes available. It offers the Bankinter Solidarity Card (with the corresponding fees donated to social projects as part of the Involvement and Solidarity programme) and the Bizum Solidario service, to facilitate micro-donations made using mobile phones.

Starting in 2018, Bankinter provides its customers with access to the Inuit social impact fund, a collective social investment vehicle.

As they are a significant stakeholder, the Bank has 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, it has 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.

Involvement in the organisation twelfth edition of the Mashumano Youth Awards, recognising those entrepreneurs who provide innovative, sustainable and socially responsible solutions. Specifically, Bankinter sponsored the Best solution for helping to integrate differently abled people category,

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 2018, as meeting points for green entrepreneurship.

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

European Pro Bono and Skills-Based Volunteering Summit 2018, the biggest corporate volunteering event in, held at Bankinter's head office in Madrid, organised by the Hazloposible Foundation. The meeting brought together experts and leaders from the Pro Bono movement and professional volunteering from around the world

The following are some of the other solidarity initiatives carried out in 2018:

Holding of the seventh edition of the Involvement and Solidarity programme. A 360° initiative through which ten social projects are being financed, with the sum received from fees relating to the Bankinter Solidarios card. It involves various of the Bank's stakeholder groups: customers, who use the Bankinter Solidarity Visa; more than 1,200 employees, who submitted 150 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 in Portugal.

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.

Development of the A Smile for Christmas campaign to collect new toys among employees, organised by Cooperación Internacional, a NGO providing for over 10.304 children in centres and associations for poor families throughout Spain.

Bankinter Innovation Foundation

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



More information in the 'Bankinter Innovation Foundation' chapter

Plan 'Three-in-a-Row' Environmental Dimension - 2018

Strategic lines	2018 Objectives	Compliance	Objectives 2019
Financial inclusion	Development of digital accessibility. Extension of the universal physical accessibility system to the Bankinter Corporate University.		Development of digital accessibility
Advanced employee management.	Development of healthy company programmes II.		Definition of a Diversity policy.
Bankinter Innovation Foundation	Development of Foundation programmes in Spain and Portugal. Implementation of an impact measurement system.		Development of Foundation programmes in Spain and Portugal. Measurement of the social impact of the Foundation's programmes.
Volunteering	Corporate volunteering consolidation programme. Development of technical volunteering programmes for financial and entrepreneurship education.		Implementation of a new online financial course. 25% of staff involved in volunteering.
Citizens	Development of dialogue with the third sector. Start up of Adaptive II project.		Start up of Adaptive II project
Social footprint management	Redefinition of social footprint indicators.		Redefinition of social footprint indicators
Structure	New alignment actions with the sustainable development objectives.		New alignment actions with the sustainable development objectives.

-  Completed
-  In development
-  To be commenced

Environmental Axis.

Operating in the most respectful way with the environment, taking the necessary measures to mitigate its direct and indirect environmental impact, is a priority commitment for Bankinter and around which it bases its environmental management.

The institution's Environmental Policy is aimed at enhancing the positive impacts and minimising the negative effects of its activity on the environment.

The Sustainability Area is responsible for ensuring compliance with the policy's principles and ensuring the bank's commitment to protecting the environment.

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.

The environmental criteria are present in the Bank's investment and financing policies. At the end of 2016 Bankinter adhered to the Equator Principles, whereby environmental and social analyses are carried out on all financing projects which require them. The financial sector guides defined in 2018 also include environmental and social criteria to be analysed in transactions.

The chain of suppliers and subcontracts are not exempt from responsible environmental management: prior to their approval, environmental criteria are taken into account and environmental clauses are included in contracts where risk is considered to be greatest.

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 company from the beginning. The entity is also a member of the CDP Water and CDP Forest Disclosure projects.

Bankinter's approach to environmental management allows it to operate in a way that is respectful of the environment.



 Got to the Environmental Policy

Climate change

Bankinter's Climate Change Strategy has a good rating in the sustainability indexes, although the bank is aware that the expectations of its stakeholders in this regard are increasing. In anticipation of the new Climate Change Law, we are already analysing the implications of the recommendations of the Financial Stability Board and the Task Force on Climate-related Financial Disclosures, which indicate that financial institutions need to manage climate change risks and opportunities in the short, medium and long term.

Bankinter is in the process of defining a strategy that incorporates these recommendations, based on the important work already performed and short, medium and long term objectives are being established with the areas of the bank that are most involved (risks, investment banking, asset management, etc.)

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's new building in Alcobendas (Madrid), was certified under LEED (Leadership in Energy and Environmental Design) in 2018 at its Platinum level (maximum certification).

This is a sustainable, innovative and eco-efficient building following the latest trends in the 'office of the future', as the most innovative workspaces are known.

It adapts to the Bank's commitment to sustainability and it meets strict criteria for energy efficiency and healthier work environments.

Not only is it subject to water and energy saving measures, 90% of workstations have natural light, something which is not commonplace in big buildings in Madrid.



Bankinter, as part of its Climate Change Strategy, 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).

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 connection, Bankinter has been the Spanish leader of a pilot project in collaboration with the Natural Capital Coalition, an initiative promoted by the United Nations Environment Program. Its objective is to develop a specific guide for the financial sector that facilitates the identification and management of impacts on natural capital: the guide for the financial sector of the Natural Capital Protocol. This project will seeks to reveal:

- The environmental impact of investment policies 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, land use, etc.).

- The weight and risk of each of the sectors in which it invests with respect to future regulations.

The conclusions reached as part of this undertaking have helped the bank to establish the first financing sector guidelines, including ESG criteria for the mining, agriculture and defence industries.



First Prize at the 14th edition of the Environmental Photography Awards.
Esther Rodea Angulo - Desolation



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 2018, the Bank's calculation of its organisational carbon footprint, this time including the business in Portugal, was once again 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 (calculated in 2017) with the Carbon Footprint Registry of the Ministry of the Environment.



Total emissions 2018 (TCO ₂ E)	Spain					Portugal				
	Direct	Indirect	Induced	Totals	%	Direct	Indirect	Induced	Totals	%
Business travel			3.383.30	3.383.30	17.05%			105.58	105.58	4.10%
Commuting			5.189.65	5.189.65	26.16%			859.39	859.39	33.33%
Paper and toner consumption			65.03	65.03	0.33%			10.85	10.85	0.42%
IT equipment			882.52	882.52	4.45%				0.00	0.00%
Furniture			66.40	66.40	0.33%			11.35	11.35	0.44%
Electricity consumption		8.827.93		8.827.93	44.50%		1.572.31		1.572.31	60.99%
Customer electricity consumption			355.61	355.61	1.79%				0.00	0.00%
Heating consumption	655.85			655.85	3.31%				0.00	0.00%
Refrigerating gases	376.27			376.27	1.90%	4.90			4.90	0.19%
Generators	14.95			14.95	0.08%	1.48			1.48	0.06%
Waste			4.29	4.29	0.02%			0.43	0.43	0.02%
Cleaning products			4.22	4.22	0.02%				0.00	0.00%
Maintenance travel								8.93	8.93	0.35%
Water consumption			13.82	13.82	0.07%			2.90	2.90	0.11%
TOTAL	1.047.07	8.827.93	9.964.83	19.839.83	100.00%	6.38	1.572.31	999.42	2.578.11	100.00%

In 2018, Bankinter's business in Spain and Portugal produced a total of 22,417.95 tonnes of CO₂ equivalent, 4.02 tonnes CO₂/per employee (down 0.56% on 2017)

Scope 1 (direct) emissions totalled 1053 tonnes of CO₂ in Spain. This is a 9.25% increase on 2015 in absolute terms and a 8.72% increase in terms of emissions per employee. This increase in emissions can be attributed, for the large part, to operations throughout 2018 in the new Alcobendas building, whilst in 2017, it was only in operation for a few months.

In scope 2 (indirect emissions), there was a decrease of 3.22% in absolute terms and 3.69% in emissions per employee.

Total scope 1 and 2 emissions per employee fell by 2.66% compared to 2017, thanks to the various energy efficiency measures implemented in recent years, the controls established and that in 2018, electricity at the new Alcobendas building has been provided by renewable energy.

Scope 3 emissions, induced emissions, increased by 4,70% (4.19% per employee), mainly due to the rise in business trips due to increased commercial activity, in line with the financial results presented by the Bank in 2018.

	Spain		Portugal		Total Bankinter Group		
Direct CO₂ emissions (Tn)							
	2017	2018	2017	2018	2017	2018	% 2017-2018
Gas/diesel consumption and gas refills	962	1,047	2	6	964	1,053	9.25%
Emissions per employee	0.20	0.22	0.00	0.01	0.17	0.19	8.72%

Source: MAPAMA 2017.

* Emissions for 2017 were updated with the data from the last bills received.

	Spain		Portugal		Total Bankinter Group		
Indirect CO₂ emissions (Tn)							
	2017	2018	2017	2018	2017	2018	% 2017-2018
By Electricity consumption	9,029	8,828	1,717	1,572	10,746	10,400	-3.22%
Total/employee	1.92	1.84	2.04	2.01	1.94	1.86	-3.69%

Source: MAPAMA 2017.

* Emissions for 2017 were updated with the data from the last bills received.

	Spain		Portugal		Total Bankinter Group		
Induced CO₂ emissions (Tn)							
	2017	2018	2017	2018	2017	2018	% 2017-2018
Business travel	2,873,58	3,383,30	125,06	105,58	2,999	3,489	16.35%
Business trips	5,068,81	5,189,65	974,12	859,39	6,043	6,049	0.10%
Water	15.05	13.82	2.83	2.90	18	17	-6.49%
Paper	48.63	54.18	8.51	5.90	57	60	5.15%
Toner	32.37	10.85	2.93	4.95	35	16	-55.24%
Waste	3.63	4.29	0.63	0.43	4	5	10.80%
IT equipment	880.73	882.52	-	-	881	883	0.20%
Furniture	65.47	66.40	11.35	11.35	77	78	1.21%
Customer electricity consumption	344.05	355.61	-	-	344	356	3.36%
Cleaning products	1.05	4.22	-	-	1	4	301.90%
Maintenance provider travel	-	-	13.20	8.90	13	9	-32.58%
Total	9,333	9,965	1,139	999	10,472	10,964	4.70%
Total/employee	1.98	2.08	1.35	1.27	1.89	1.96	4.19%

Source: MAPAMA 2017

* 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 the same and the average consumption of a computer.

	Spain		Portugal		Total Bankinter Group		
Total CO₂ emissions (Tn)							
	2017	2018	2017	2018	2017	2018	% 2017-2018
Total emissions Scope 1, 2 and 3	19,324.56	19,839.84	2,857.63	2,578.11	22,182.19	22,417.95	1.06%
Total/employee	4.10	4.14	3.39	3.29	4.00	4.02	0.57%

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. The purpose of this is to implement all necessary measures to ensure optimum environmental performance. This means minimising its carbon footprint and in the strategy for mitigating climate change.

2018 was the first year in which the Alcobendas 14 building was fully operational (in 2017, it was only operational for six months), meaning that the trends of some indicators, most importantly natural gas consumption, were affected. It is expected that in 2019, when the building will be 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 (89% of total energy consumed) and its consumption has gradually been reduced in recent years as a result of the efficiency measures adopted. In 2018, total electricity consumption has decreased by 1.72% (even taking into account operations at the new Alcobendas building)

In terms of direct energy consumption (diesel and natural gas), the trend in 2018 has been affected to a large extent by natural gas consumption at the new Alcobendas building. In total, this consumption has increased by 64% year-on-year. However, the Group's total

	Spain		Portugal		Total Bankinter Group		
Evolution of Energy Consumption (GJ)							
	2017	2018	2017	2018	2017	2018	% 2017-2018
Electricity	83,409	83,215	13,234	11,770	96,643	94,985	-1.72%
Diesel	1,248	1,802	6	21	1,254	1,823	45.35%
Natural Gas	5,547	9,330	0	0	5,547	9,330	68.20%
Total	90,204	94,346	13,240	11,791	103,444	106,138	2.60%
Total/employee	19.16	19.68	15.71	15.04	18.64	19.03	2.11%

* 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.

	Spain		Portugal		Total Bankinter Group		
Evolution of Water Consumption (m³)							
	2017	2018	2017	2018	2017	2018	% 2017-2018
Total	46,871	43,046	8,828	9,031	55,699	52,077	-6.50%
Total/employee	9.96	8.98	10.47	11.52	10.03	9.34	-6.96%

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

	Spain		Portugal		Total Bankinter Group		
Evolution of Paper Consumption (Tn)							
	2017	2018	2017	2018	2017	2018	% 2017-2018
Total	376	399	75	58	451	457	1.36%
% recycled A4 and A3 paper	100	100	100	100	100	100	
Total/employee	0.08	0.08	0.09	0.07	0.08	0.08	0.87%

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

Energy sources

	2017	2018
Renewable	33,113	32,025
Cogeneration	8,424	9,127
Natural gas consumption.	8,675	8,312
Coal	11,427	11,001
Nuclear	18,350	16,787
Other	3,420	4,237
Total	83,409	81,489

*Includes energy sources in Spain

energy consumption in Spain and Portugal has only increased by 2.11% per employee, compared to 2017.

At year-end 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 (upgrade of equipment to more efficient models, replacement of lightbulbs with LEDs, remote management of consumption, etc.)

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

To reduce its consumption, the bank has implemented measures such as the biometric signature solution, which is now used at fixed positions in branch offices and which has been extended in recent years to various operations and (investment fund agreements, current accounts, deposits, pension plans). Tablets have been distributed among office employees so that clients can carry out operations with a digital signature.

Another important milestone was the digitalisation of the recruitment process. 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.

	Spain		Portugal		Total Bankinter Group		
Evolution of waste management (kg)							
	2017	2018	2017	2018	2017	2018	% 2017-2018
Paper and cardboard	154,954	161,020	42,834	28,005	197,788	189,025	-4.43%
Toner	461	160	143	241	604	401	-33.59%
Electronic equipment	6,795.00	21,244.00	0	0	6,795	21,244	212.64%

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



Second prize in the XIV edition of the Environmental Photography Awards. Ricardo Lavrador - Pensamentos perdidos

Environmental management

To guarantee the continuous improvement of its environmental performance, Bankinter has an environmental management system (EMS), certified according to the UNE EN ISO 14001 standard. This system has been adapted to the most recent version of the standard and its scope expanded to include the new Alcobendas building. It 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 team participated in its annual verification process.

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 45% of the workforce.

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 2018?

Exhaustive control of possible air conditioning leaks. Control of consumption by the bank's properties through remote management.

KPI	2018	2018 Target	2019 Target
Tonne CO ₂ e / employee	0.13	× (-1%)	(-1%)

*Direct emissions per employee have increased by 8.72%, due to operations at the new Alcobendas building throughout the entire year.

Objective 2: Reduce electricity consumption (Spain)

What did we do in 2018?

Projects to replace old with more efficient equipment Improvements in automation and consumption control in new buildings.

KPI	2018	2018 Target	2019 Target
MWh / employee	4.73	✓ (-2%)	(-2%)

* Electricity consumption has been reduced by 2.19% per employee in Spain.

Objective 3: Reduce our induced emissions (Spain)

What did we do in 2018?

Promotion of alternative communication platforms (conference calls for internal meetings, video calls with clients), awareness campaigns, good environmental practices, webmail campaigns.

KPI	2018	2018 Target	2019 Target
Tonne CO ₂ e / employee	1.96	× (-1%)	(-1%)

* Emissions from business trips have increased significantly due to increased commercial activity and the acquisition of IT equipment (increase of 4% in tn/employee).

Objective 4: Offset our direct emissions

What did we do in 2018?

Bankinter has offset its 2017 direct annual emissions and those of the sustainable branch by participating in the 'Conservation of the Amazon in Madre de Dios in Peru' project as part of the Ecology and Development Foundation's Zero CO₂ initiative.

KPI	2018	2018 Target	2019 Target
Tonne CO ₂ offset	964	✓ Direct emissions	Carbon neutrality

Objective 5: Reduce paper consumption (Spain)

What did we do in 2018?

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

KPI	2018	2018 Target	2019 Target
Tonne of paper / employee	0.08	× (-2%)	(-2%)

*Paper consumption has increase by 0.87% per employee in Spain.

Influence on stakeholders

The Bank has different communication channels, both internal and external, for the dissemination of its various social and environmental initiatives, through which it promotes 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.

Among the awareness-raising actions targeted at the workforce are the following:

Environmental website. It provides the entity's staff with news about activities of environmental interest, both internal and external to the bank. It also provides the employee with a suggestion box.

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 2018, Bankinter collaborated in five events.

XIV edition of the Environmental Photography Awards. Held in 2018 under the slogan Tree hunters and attracted entries from employees from Spain and Portugal.

Presentation of the climate change strategy at different forums. Bankinter played host to the Correspondent Bank Alliances and Environment Workshop and participated at different workshops, including those organised by Vozpópuli and the Ecogestiona environment and corporate radio program.

Supported the Earth Hour campaign, a WWF initiative to reduce CO₂ emissions. To support it, the lighting of all the properties of the bank was turned off and different 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 formed part of the Climate Change Cluster that promotes WBCSD (World Business Council for Sustainable Development) as a leading company. It forms part of the cluster of more than 60 companies from various sectors. Over the course of 2018, the Group explored the management of risks and opportunities resulting from climate change in more depth.



Third prize in the 14th edition of the Environmental Photography Awards.
M. Elena Martínez Campos – Tras la niebla

'Three-in-a-Row' plan Environmental dimension – 2018

Strategic lines	2018 Objectives	Compliance	Objectives 2019
Strategy for climate change	Identification of the impact of the Bank's loan book and financing on natural capital.		Development of the climate change strategy. Adherence to international initiatives.
Environmental management system.	Buying green energy as a mechanism for offsetting emissions. Campaign to reduce paper consumption. Improvement of eco-efficiency per employee indicators by 2%.		Extension of the scope of the Environmental Management System. Improvement of eco-efficiency per employee indicators (2%)
Structure	New online environmental course. New alignment actions with the sustainable development objectives.		Environment awareness-raising and communication campaign. New alignment actions with the sustainable development objectives.

-  Completed
-  In development
-  To be commenced