

bankinter.

SUSTAINABILITY

2019 INTEGRATED ANNUAL
REPORT



Triple management to generate triple value

Bankinter's sustainability strategy is based on the 'Three in a Row' Sustainability Plan for the responsible management of the three business dimensions (economy, society and the environment) to generate three-fold value in the countries where the Bank operates.

The plan is based on the Sustainability Policy that was approved by the board of directors in January 2016 to contribute to the sustainable and inclusive development of the environment, based on the Bank's three strategic pillars of quality, innovation and technology, and in line with its corporate values of agility, enthusiasm, integrity and originality.

The definition of the sustainability strategy is based on the following references:

- The United Nations Sustainable Development Goals (SDGs)
- Regulations such as the Law on non-financial information and diversity and the CNMV's Good Governance Code of Listed Companies.
- The analysis of the results of the assessments of the most prominent

sustainability indexes and rating agencies.

- International standards and frameworks (GRI, IIRC, ISO 26000, SGE 21, etc.).
- The consideration of the best practices of global sector leaders.
- The analysis of the results of satisfaction surveys filled in by stakeholder groups such as customers and employees.
- Analysis of the Reprtrack reputation measurement model.

The sustainability policy is supplemented by the other internal policies.

Further, Bankinter published its 2019 non-financial statement in compliance with 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, labour and environmental management, anti-corruption and bribery policies, diversity in governing bodies and human rights, among other sustainability management issues, for a number of years.

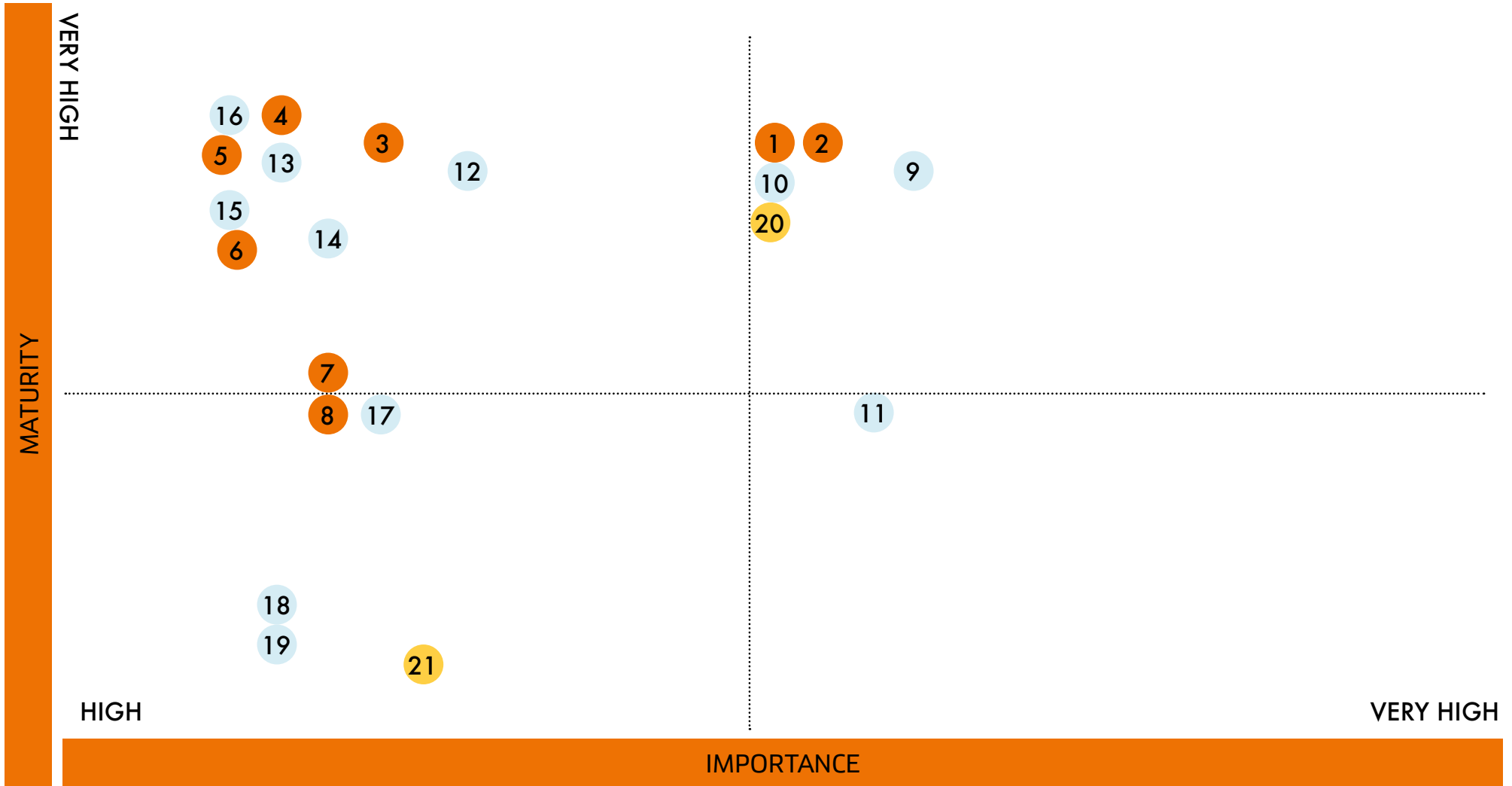
Materiality analysis

Bankinter identifies the aspects of its activity that have the biggest impact on the environment through an engagement management system with its main stakeholders. The system responds to the guidelines set by the international framework for non-financial reporting, Global Reporting Initiative (GRI).

The materiality survey that identifies the most significant aspects of the organisation's economic, environmental and social impact was updated in 2019 to include activities associated with the UN's Sustainable Development Goals. The surveys completed by analysts and investors, and internal and customer satisfaction questionnaires were also taken into account.

The analysis has improved the effectiveness of the engagement channels with stakeholders and details the main priorities according to 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).

Stakeholders	Engagement channels	Parties responsible for management
Shareholders	Shareholders Office Annual general meeting	Head of Shareholders Office
Investors and analysts	Roadshows Meetings Questionnaires	Director of Investor Relations Head of Sustainability
Customers	Quality surveys Customer Service Area External ombudsman Banco de España Multi-channel banking	Director of Quality Director of Legal Affairs
Regulatory bodies (Banco de España, CNMV)	Circulars	Chief Regulatory Compliance and Corporate Governance Officer Relations with supervisors
Employees	Global surveys Assessment Whistleblowing channel Queries mailbox Meetings with workers' representatives Intranet	Director of Human Resources Chief Audit Executive Director of Quality Director of Internal Communication Head of Sustainability
Suppliers	Procurement portal Follow-up meetings Questionnaires	Director of Efficiency and Transformation Head of Sustainability
Partners Universities and Business Schools	Meetings Forums Workshops	Director of Fundación Innovación Bankinter Director of Communication and CSR
Third (voluntary) sector	Social engagement mailbox Meetings	Head of Sustainability
Media	Press conferences Press releases Social networks Press room External mailbox	Director of Communication and CSR
Society (others not previously included)	Social networks. Corporate website RepTrak survey	Director of Communication and CSR Reputation Officer



Economic dimension

- 1 Service quality and customer satisfaction
- 2 Transparency (corporate governance)
- 3 Financial risk management and control mechanisms
- 4 Regulatory compliance
- 5 CSR policy and its supervision
- 6. Anti-corruption and money laundering
- 7 Non-financial risk management and control mechanisms
- 8 Transparency in commercial relations




Social dimension



- 9 Talent attraction and retention
- 10 Stakeholder engagement channels
- 11 Employment creation and stability
- 12 Equal opportunities
- 13 Code of conduct
- 14 Work-life balance policy
- 15 Investing in the community
- 16 Equal remuneration
- 17 Training
- 18 Employee performance evaluation
- 19 Working environment

Environmental dimension

- 20 Climate change strategy
- 21 Direct environmental matters

As a member of the United Nations Global Compact Network Spain, the Bank has identified the SDGs to which it can make the greatest contribution, and has incorporated them into its strategy. They are: 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).

Purpose	Targets	Initiatives undertaken	Challenges
	<ul style="list-style-type: none"> Between now and 2030, 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 2030, 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 2030, 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"> Online workforce training on financial education. Classroom-based 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. Launch of new on-line financial education programme for secondary school students. Training volunteering programme for workplace access for women who are victims of violence and groups at risk of exclusion. Bankinter Corporate University certified in Universal Physical Access to provide individuals with disabilities with training on equal terms. Technical volunteering programmes for senior management in developing countries. Online training for the employees in assisting people with disabilities. 	<ol style="list-style-type: none"> Development of the financial education volunteering programme. Equality and diversity training for employees. Classroom training on assisting people with disabilities. Dissemination of the on-line platform for financial education.
	<ul style="list-style-type: none"> Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation 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"> Sustainable lending and financing policy. Promotion of sustainable products. Training and awareness aimed at promoting entrepreneurship. Bankinter Innovation Foundation initiatives. <ul style="list-style-type: none"> Entrepreneurs programme. Akademia programme. FTF programme Creation of Cre100do Foundation. Initiatives related to people management. <ul style="list-style-type: none"> Family-responsible company certificate. Saludable.mente programme (for healthy workplaces). Human capital development. Talent recruitment and retention. Accessibility to the physical and digital work environment. 	<ol 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. Saludablemente (health) programme. Development of Foundation programmes: 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 financial and social inclusion. Implementation of physical accessibility. Digital accessibility. Cognitive accessibility. Training and awareness of the workforce aimed at financial integration. Development of charity products. Financial education and education for entrepreneurship (technical volunteering). Social volunteering. Social action and citizenship. Family responsible company. Equality plans. Definition of a diversity policy. Whistleblowing channel. 	<ol 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. Implementation of FR certification at Bankinter Portugal. Development of Foundation programmes: Akademia, FTF Development of financial education programmes adapted to various groups. Training and awareness aimed at integration.

Purpose	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"> 1. Initiatives related to business. 2. Sustainable lending and financing policy. 3. Inclusion of environmental criteria in procurement policy. 4. Support for employees, customers and suppliers to implement eco-efficiency measures. 5. Sustainable products. 6. Green line of credit. 7. Management initiatives related to the Bank's environmental impact (direct impact). 8. Emissions management: measurement, reduction and offset. 9. Eco-efficiency programmes in the organisation. 10. Actions with environmental and social impact. 11. Disclosure of sustainable performance information. 12. Environmental training and awareness workshops. 13. Implementation of stakeholder communication channel on environmental matters. 14. Environmental mailbox. 	<ol style="list-style-type: none"> 1. Development of products with a high environmental impact. 2. Development of Foundation programmes: FTF 3. Identification of the impact of lending and financing operations on natural capital. 4. Buying energy from renewable sources. 5. Neutralisation of CO2 emissions. 6. Training employees and raising awareness of customers. 7. 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 mobilise 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 implement 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. 	<p>Bankinter forms part of different working groups in alliance with other companies that seek to promote sustainable development:</p> <ol style="list-style-type: none"> 1. Climate Change Cluster. 2. Transparency and Corporate Governance Cluster. 3. Social Impact Cluster. 4. LBG. 5. Spanish Network of the Global Compact. 6. Forética. 7. The Diversity Charter. 8. Sponsorship of events with other public and private companies to support environmental and social ventures that support the development of new companies, technologies and projects: 9. Greenweekends. 10. Circularweekends. 11. Premios Jóvenes Más Humanos. 12. 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. 13. Adherence to work groups as part of the Task Force on Climate related financial disclosures. 	<p>Creation of new alliances:</p> <ol style="list-style-type: none"> 1. UNEPFI: responsible finances initiative.

The 2016-2020 Plan establishes 17 strategic economic, social and environmental lines.

Economic dimension

- Good Governance
- Sustainable practices
- Customer-oriented services
- Socially responsible investment
- Sustainable products
- Responsible supplier management
- Communication and training

Social dimension

- Financial inclusion
- Advanced people management
- Volunteering
- Citizenship
- Social footprint management
- Bankinter Innovation Foundation
- Communication and training

Environmental dimension.

- Climate change strategy
(carbon footprint)
- Environmental management system
- Communication and training



Economic dimension

Bankinter has been included on the Dow Jones World Sustainability Index for a further year, as one of the top twenty-five banks with the best global 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 2019 Sustainability Yearbook published by Robeco SAM, in the bronze category.

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 permanent engagement with stakeholders. This provides first hand knowledge of their expectations and allows the Bank to identify their needs in an ever-changing environment, with a view to including these in its sustainability strategy.

It also fosters coordinated action between different areas to develop initiatives based on responding to these needs. Similarly, it proposes and monitors 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.

Customer orientation

In regard to customer orientation, the main indicator that measures the quality of the service provided and satisfaction levels, the NPS, comfortably exceeded the target set for 2019, standing at 39.3%.

Sustainable lending and financing practices

Bankinter, as part of its Risk Management and Control Framework, has defined Investment Sustainability Principles. Furthermore, it has established financial guidelines for industries with potential greater incidence in the environment 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.

In line with this strategy, the Bank has adhered to the Equator Principles, a leading international initiative for responsible investment in the financial sector with the objective of evaluating and managing the environmental and social risks of the projects to be financed. In 2019, 16 projects to which these principles apply were financed, all in Spain and the renewable energy sector. 13 were graded B and three C. Investment came to 261.6 million euros.

Bankinter undertakes to evaluate the practices in environmental, social and human rights issues, and to act according to the principles established in its policies, in the due diligence processes carried out before 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.

In particular, 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 2019, the Bank took part in different renewable energy projects (photovoltaic and wind energy, among others).



More information in the Corporate Governance Report.

Sustainable products

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

Bankinter Sustainability Fund. This fund invests in equities included in the main social and environmental responsibility indexes.

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. They invest in companies dedicated to renewable energies, innovation and technology, and reducing the impact of climate change, or that are included in the main sustainability indices.

Green bonds. Bankinter has coordinated the first green bond programme on the alternative fixed income market (MARF) of 50 million euros registered by the company Grenergy Renovables. It also published a Framework Agreement for green bonds, which is accredited by Sustainalytics (a second opinion company). The first issuance of these green bonds took place in January for the amount of 750 million euros.

Venture capital funds or companies that invest in sustainable products. The fund held 4.3% and 4.6% interests, respectively, 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).

Helia Renovables. In 2017, the Bank entered into a partnership with Plenium Partners to create Helia Renovables, a venture capital fund to invest in the renewable energy business. In 2018, it included a second fund and a third in 2019. The three funds have a total investment (debt plus capital) of 1,850 million euros in renewable energies.

InnovFin agreement. The Bank continues to support the Innovfin2014 programme, within the scope of the Horizon 2020 funding instrument. Its aim is to support the financing of Spanish companies with fewer than 500 workers who conduct research and innovation activities and projects. Further, in 2019 the European Investment Bank and Bankinter signed an agreement to provide 400 million euros to SMEs and mid cap companies to finance their investments in Spain and Portugal.

Hal-Cash. This system, which enables 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 2019 by 19,879 customers, for the amount of 50.9 million

euros. Hal-Cash provides access to financial services to groups that do not have bank accounts.

Responsible supplier management

Bankinter's board of directors has approved a new Suppliers Code of Conduct, which entails a set of basic principles of practice and rules of professional conduct to govern the actions of all the entity's suppliers and represents the ethical values that the Bank has traditionally applied in its relationship with them and the rest of the stakeholders.

Further, in the supplier certification process, environmental, social and governance criteria were included. At the close of 2019, 23% of all Bankinter's suppliers were assessed based on these criteria.

Bankinter's average payment period to its suppliers is 20 days.

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20 days

'Three in a Row' plan for the Economic dimension - 2019

Strategic lines	Objectives 2019	Level of achievement	Objectives 2020
Good governance	Monitoring the implementation of the Human Rights policy		Continue strengthening the corporate governance framework, making it more solid and effective
Sustainable practices	Workforce training in code of ethics		Development of the sustainable finances project
Customer-oriented services	Achieve an NPS score of over 36.5% for the Bank		Achieve an NPS score of over 41.3% for the Bank
Socially responsible investment	Staff training in Socially Responsible Investment (sustainability committee, risks area)		Training for the asset management area in Socially Responsible Investment
Sustainable products	Launch of new sustainable products (green bonds)		Launch of other sustainable products and measurement of social/environmental impact
Responsible management of suppliers	Training suppliers on CSR matters		Training of SME suppliers on adaptation to the new economy of client change
Communication and training	New alignment actions with the sustainable development objectives		New communication actions with the sustainable development objectives

- Completed
- In development
- To be commenced

Social dimension

Bankinter has implemented 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.

The Bank's inclusive strategy is set out in the "Bank for all" programme, which reflects its firm commitment to making all its relationship channels with stakeholder accessible. The Bank takes into particular consideration disabled and elderly people by aiming to offer them a quality service adapted to their needs. The accessibility strategy covers physical accessibility, as well as digital and cognitive accessibility.

Bankinter has a certified Universal Access Management System (UAM), under standard UNE 170001, that has been implemented in its headquarters in Madrid, at the Alcobendas building, at the Corporate University and in seven branches.

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.

For example, the Bank offers braille coordinates card for blind people to carry out phone transactions, monthly statements in audio and large print formats, an accessible video player, and the advisory service by video-calls in sign language for deaf people.

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.

Bankinter has launched the Money Town digital platform, a simulation game to promote financial education aimed at teachers, educators, and parents wishing to teach young people about the basics of finance and how to manage their money in an easy and fun way.

At the close of 2019, 3,002 teachers, 1,879 students and 759 individual users had signed up. The aim of this platform is to support the training of over 10,000 students before the end of 2025.

Bankinter also has a collaboration agreement with the Confederación Estatal de Personas Sordas (CNSE) to make financial knowledge available to people with hearing difficulties. As part of the training envisaged under this

agreement, classroom-based actions will be carried out in different regional associations of the CNSE, in addition to the dissemination of online training videos.

The Bank also has a videocall service in sign language manned by professionals who are experts in this language to help deaf people carry out transactions and offer advice on products and services.

Advanced employee management

Bankinter has been included in the Top Employer Spain ranking for 12 consecutive years. Companies included offer a full package of social-labour measures for their employees.

Bankinter has renewed its family responsible company certificate, awarded by the Másfamilia Foundation to companies that have carried out initiatives to improve the work-life balance and promote equal opportunities among employees.

In 2019, the Bank rolled out its "Saludable. mente III" programme to train and raise awareness among employees of the importance of looking after their health, promoting a culture of safety and well-being.

This initiative is part of an innovative health and well-being programme that kicked off in February to promote the physical and emotional well-being of Bankinter employees. Through this inclusive and personalised digital programme, all employees can find their own space for physical activity.

Bankinter has been awarded first prize in the category for promoting physical activity and healthy habits in the "El Mundo Zen Adecco" awards that recognise companies that look at business management as more than just a P&L account, thanks to the "Bankinter Te Cuida" (Bankinter, here to help) programme.

Corporate volunteering

Bankinter has a corporate volunteering portal for its employees called "Mueve.te" (Move!), 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 strengthens the organisational culture of the Bank and helps participating volunteers to develop new skills.

In 2019, the proportion of the workforce in Spain and Portugal involved in volunteer days rose to 18%, with more than 1,700 hours dedicated to this task. Participation was recorded of over 2,000 employees and their family members in a total of 94 technical, environmental and social activities, reaching over 130,000 direct beneficiaries.

Bankinter also promotes financial integration through technical volunteering activities in the delivery of financial education programmes. 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 volunteering skills among employees, such as adapting communications to everybody, regardless of their abilities and knowledge.

The following activities stood out in 2019:

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

Online course for helping people with disabilities at Bankinter. Training available for all Bank employees in collaboration with Ilunion. The Entity is developing an inclusive strategy to build a more integrating and diverse bank through the active management of disability within its value chain.

Participation in the fifth edition of the 'Your Finances, Your Future' project. 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 the domestic economy. In 2019, 71 Bankinter volunteers took part.

Bankinter customised financial education programme. In 2019, this programme 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.

Environmental volunteering programme in Portugal. In collaboration with the Quercus nature conservation association, a forest cleaning and tree planting initiative was held at Floresta Bankinter, in the region of Pomares. 305 Bankinter employees and their families took part in the second edition of this project, to maintain the 10,000 trees already planted.

Further, with the support of Parque Ecológico de Funchal the reforestation project in Madeira was implemented with the participation of 100 employees and their families.

Third edition of the Bankinter Solidarity Challenge. Charity sports event for the workforce in Spain and Portugal.

Partnerships with the third (or voluntary) sector

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

As a member of the United Nations Global Compact Network Spain, the Bank assumes the commitment to incorporate the ten principles into its business activities. The Entity is contributing to meeting sustainable development goals (SDGs), working on the conviction that they are important for society to evolve towards a model that is fairer and more respectful towards people and the planet.

Bankinter is a promoting partner of the Lealtad Foundation, a non-profit institution whose objective is to provide accreditation for third sector associations and foundations that comply with the nine transparency and good practice principles.

The Bank is also a leading sponsor of Forética, a leading association of companies that promotes corporate social responsibility and sustainability in Spain and Latin America. It is also a leading company in the Climate Change Cluster and plays an active role in the Forética Social Cluster.

In total, collaborations have been forged with more than 30 non-profit associations and organisations.

Measurement of social impact

To make its social management more effective, the Bank adopted the London Benchmarking Group (LBG) methodology for measuring, managing, assessing and communication the contributions, achievements and impacts of the Bank's social action on the community and the environment.

To support the work of voluntary associations, Bankinter develops products and services for charitable purposes that it makes available. It offers the Bankinter Solidarios 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.

The Bank was also involved 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".

The Bank also called the third edition of the Bankinter Portugal social projects awards to recognise and support measures that have a social impact, in which Bankinter employees work as volunteers, thereby rewarding their commitment and the time dedicated to their local community outside of work.



- Cash 83.9%
- Time 1.1%
- In-kind 1%
- Management costs 13%

In 2019, the eighth edition of the "Involvement and Solidarity" programme took place, an initiative through which ten social projects are financed, with the amount received in fees from the Bankinter Solidarios card. It involves several of the Bank's stakeholders, customers using the Bankinter Solidarios visa card and employees, who this year submitted more than 180 projects.







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

Total contribution

2.9

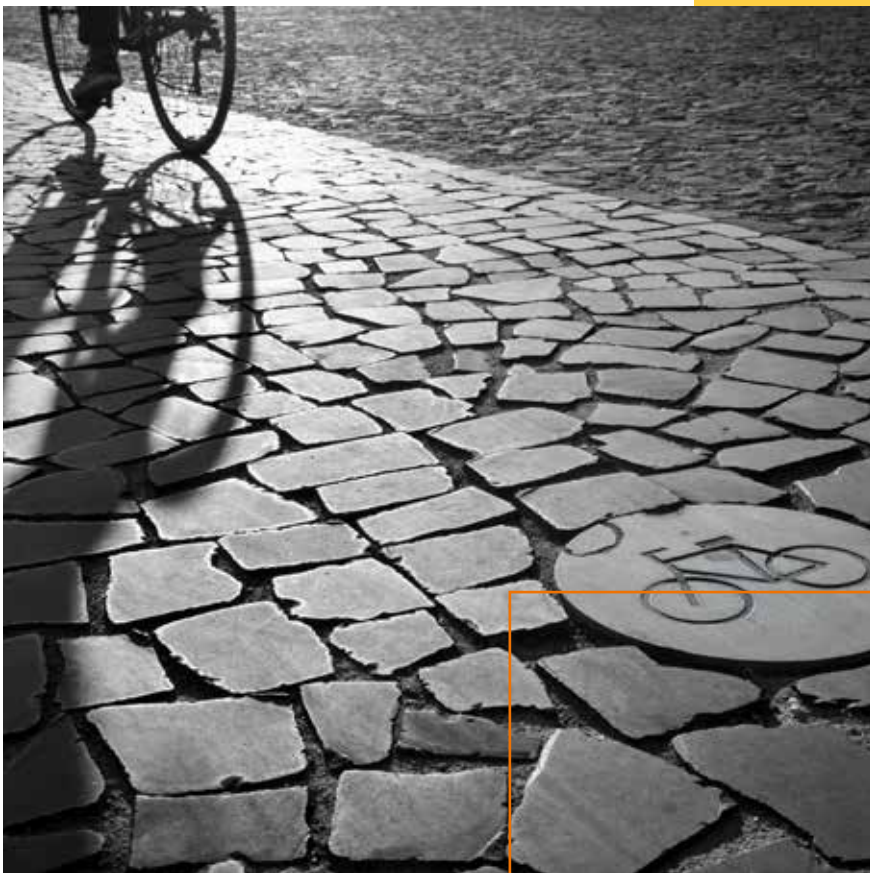
Millions of euros

'Three in a Row' plan for the Social dimension - 2019

Strategic lines	Objectives 2019	Level of achievement	Objectives 2020
Financial inclusion	Development of accessibility to the digital work environment		Development of accessibility to the physical and digital work environment
Advanced employee management	Definition of a diversity policy		Implementation of a training programme to fast track the digital culture. Development of programmes to foster health and safety
Bankinter Innovation Foundation	Development of the Foundation's programmes in Spain and Portugal Measurement of social impact of Foundation programmes		Development of Foundation programmes in Spain and Portugal
Volunteering	Implementation of a new online financial course 25% of staff involved in volunteering		Extend financial education programmes to all organisations
Citizens	Start up of Adaptive II project		Dissemination of the on-line platform for financial education, "Money Town"
Social footprint management	Redefinition of social footprint indicators		Evaluation of the social and economic impact of the activity
Structure	New alignment actions with the sustainable development objectives		New communication actions with the sustainable development objectives

-  Completed
-  In development
-  To be commenced

Environmental dimension



First prize in the 15th edition of the Environmental Photography Awards. José Proença - Bicicleta uma opção de futuro (the bicycle as an option for the future)

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, together with the Bank's sustainability committee, is responsible for overseeing compliance with the policy's principles and ensuring its commitment to protecting the environment.

There is also an Environmental working group, represented by the areas most involved in environmental management, that carry out the periodical monitoring of environmental indicators and the implementation and development of the environmental management system.

The environmental strategic line also includes the Climate Change Strategy, with new short-, medium- and long-term objectives, and the 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. Further, sector financing guidelines have been drawn up, based on social and environmental criteria, for certain sectors which, due to their social or environmental impact, are considered most relevant.

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. It is also a member of the CDP Water and CDP Forest Disclosure projects.

In 2019, Bankinter presented its new Climate Change Strategy, with objectives for the short-, medium- and long term.

Climate change strategy

In the challenge posed by climate change, each actor must identify their role. And while the financial sector is not a carbon-intensive industry, financial institutions play a major role in the transition to a low-emission economy.

Therefore, the Bank's responsibility to the environment does not rest so much on managing the direct impact of its activity on its surroundings (something which it has been managing for over a decade), but rather on identifying and managing its indirect impacts; i.e. those generated by applying its financing and lending policies.

Bankinter's climate change strategy has maintained a good rating in the sustainability indexes, although the Bank is aware that the expectations of its stakeholders in this regard are increasing.

In 2019, Bankinter drew up a new strategy that incorporates the recommendations of the main international initiatives in this area, based on important preliminary work, and established a roadmap and short-, medium- and long-term objectives with the areas of the Bank that are most directly involved (e.g. Risks, Investment Banking, Asset Management).

Si lo decimos, lo hacemos.

Bankinter en su lucha contra la emergencia climática

Puede que seamos uno de los bancos más sostenibles del mundo.

Pero aún queremos más. Seguir avanzando. Más rápido.

Sólo así seremos capaces de lograr un cambio real y necesario allí donde estemos presentes.

Y si lo decimos, lo hacemos.

¿Qué decisiones hemos tomado?

01. Liderar y compartir
Queremos liderar la transición hacia una economía sostenible y compartir los resultados obtenidos con todos nuestros públicos.

02. Integrar
Queremos integrar en nuestro modelo de negocio la gestión de los riesgos relacionados con la crisis climática.

03. Comercializar
Queremos comercializar productos y servicios financieros de impacto orientados a un modelo económico bajo en carbono.

04. Involucrar
Queremos involucrar a nuestros grupos de interés en cada una de las medidas derivadas de nuestro plan de acción colectivo.

¿Cuáles son nuestras metas?

En 2020

- Neutrarizamos la huella de carbono organizacional.
- El 100% de la energía utilizada procederá de fuentes renovables.
- Adoptaremos las recomendaciones de la TFCO.
- Contaremos con políticas específicas para sectores con potencial impacto en el entorno.
- Comunicaremos nuestra exposición a combustibles fósiles.
- Participaremos en iniciativas internacionales para las finanzas sostenibles.
- Ampliaremos nuestra gama de productos y servicios sostenibles.

En 2030

- Incrementaremos la financiación de energías renovables.
- Dispondremos del primer balance contable de crisis climática.
- Incrementaremos la inversión en I+D+D contra la emergencia climática.
- Implementaremos un sistema de cálculo de emisiones de nuestras carteras de inversión y financiación.
- Contaremos con un sistema de sostenibilidad propio que integre aspectos ambientales.

En 2040

- Dispondremos de una cartera de inversión y financiación 100% sostenible.

Strategy

Lead the transition to a sustainable economy to help adapt to and mitigate the effects of climate change.

Management

Include the risks of climate change into the management model.

Develop an accounting system that includes the Entity's environmental features on its balance sheet.

Business

Market financial products and services based on a low-carbon economic model.

Involvement

Participate with all our stakeholders in the group commitment to act against climate change.

As part of this strategy, over the past few years Bankinter has taken part in pilot projects to develop guidelines and methodologies to analyse the indirect impacts of the financial sector.

In Spain, Bankinter headed up a project with Natural Capital Coalition. Its objective was to develop a specific guide for the financial sector that facilitates the identification and management of impacts on natural capital.

The Bank is also working on the SBTi (Science Based Targets Initiative) on defining a science-based methodology to establish emission reduction targets in the financial sector.

In anticipation of the new Climate Change Act, an analysis has been made of 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 risks and opportunities relating to climate change in the short, medium and long term.

In 2019, Bankinter committed to including the TCFD recommendations in its business model and drew up a road map for this purpose. Further, a sustainable finances work group was created to address future EU regulatory requirements.

Implementation of TCFD recommendations on climate change			
Area	Recommendations	Implemented	Next actions
Governance	<ul style="list-style-type: none"> Include the assessment and supervision of climate risks in governance processes Describe the board's oversight Ensure the governance processes to review published information are similar to those used for existing financial reporting 	<ul style="list-style-type: none"> Included in the sustainability policy approved by the board of directors. Presentation of the climate change strategy by sustainability committee to the board of directors, which approved it Regular monitoring of the implementation of the strategy by the sustainability committee and the board of directors The Non-Financial Reporting Statement, which includes information on climate change, is prepared by the board of directors and verified by an independent external auditor 	<ul style="list-style-type: none"> Creation of the sustainable finances work group, which will report to the sustainability committee Regular monitoring of the implementation of the strategy and the objectives achieved
Strategy	<ul style="list-style-type: none"> Describe the climate-related risks and opportunities of the organisation Describe the impact of climate-related risks and opportunities on the organisation's business strategy and financial planning Describe the resilience of the organisation's strategy in different climate scenarios 	<ul style="list-style-type: none"> Identification of climate-related risks and opportunities in the strategy Main short-, medium- and long-term objectives have been established in the climate change strategy 	<ul style="list-style-type: none"> Development of opportunities identified: new products and sustainable services Monitoring of the objectives achieved with the areas involved Analysis of different climate scenarios
Risk management and opportunities	<ul style="list-style-type: none"> Describe the organisation's processes for identifying and assessing climate-related risks Describe the organisation's processes for managing climate-related risks Describe how these processes are integrated into the organisation's overall risk management. Describe how the organisation identifies new climate-related business opportunities 	<ul style="list-style-type: none"> Implementation of sector ESG policies Adherence to the Equator Principles Sector policies and sustainability principles in the risk framework agreement Work meetings with business units 	<ul style="list-style-type: none"> Include climate-related risks in the risk map Development of processes to manage climate-related risks Extend sector policies to other industries Creation of the sustainable finances work group
Metrics and targets	<ul style="list-style-type: none"> Disclose the metrics used by the organisation to manage climate-related risks and opportunities Disclose Scope 1, Scope 2, and if appropriate Scope 3 greenhouse gas emissions Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets 	<ul style="list-style-type: none"> Scope 1, 2 and 3 (partial) emissions disclosed and independently verified Main short-, medium- and long-term objectives established in the climate change strategy 	<ul style="list-style-type: none"> Implement standard methodology to calculate all scope 3 emissions Disclose the achievement of targets to stakeholders.

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 2019, 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, according to 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 2018) with the Carbon Footprint Registry of the Ministry of the Environment. Bankinter also offset its annual direct emissions from its operations in Spain and Portugal in 2018 through the Cero CO2 initiative of Fundación Ecología y Desarrollo ('Ecology and Development Foundation') in the 'Amazon Conservation' project in Madre de Dios, Peru.

It should be noted that 100% of the electricity consumed by Bankinter's installations in Spain is green energy with guarantees of source measured in 2018. This has led a significant reduction in scope 2 emissions levels.

Direct CO ₂ emissions (Tn)		
	2019	2018
Gas/Diesel/Gases	1,081	1,094
Total/employee	0.18	0.20

* The scope of this information is the banking business of Bankinter Group (including EVO and Avantcard since their inclusion in June 2019)

* OECC emission factors, carbon footprint registry, offset and carbon dioxide absorption projects (Version 12 - April 2019)

Induced CO ₂ emissions (Tn)		
	2019	2018
Business travel	3,368	3,534
Business trips	6,261	6,093
Water	16	17
Paper	370	60
Toner	33	31
Waste	5	4
Computer equipment	879	883
Furniture	76	77
Customer electricity consumption	1,054	339
Cleaning products	3	4
Maintenance supplier travel	14	9
Total	12,079	11,050
Total/employee	1.99	1.97

* The scope of this information is the Bankinter Group (including EVO and Avantcard since their inclusion in June 2019)

* 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 customers to the Bankinter website, the average duration of these and the average consumption of a computer.

* OECC emission factors, carbon footprint registry, offset and carbon dioxide absorption projects (Version 12 - April 2019) / SIMAPRO (Ecoinvent System Processes)

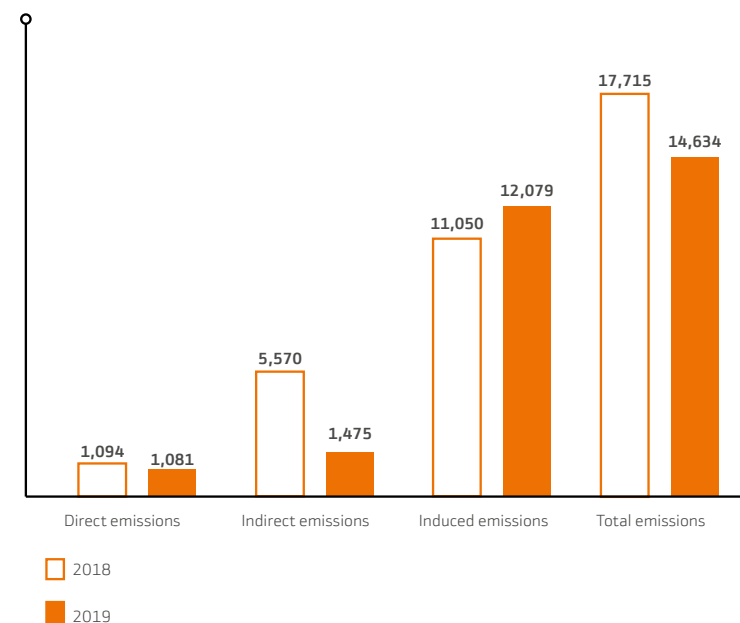
Total CO ₂ emissions (Tn)		
	2019	2018
Total emissions	14,634	17,715
Total/employee	2.41	3.16

Indirect CO ₂ emissions (Tn)		
	2019	2018
Electricity	1,475	5,570
Total/employee	0.24	0.99

* The scope of this information is the banking business of Bankinter Group (including EVO and Avantcard since their inclusion in June 2019)

* OECC emission factors, carbon footprint registry, offset and carbon dioxide absorption projects (Version 12 - April 2019)

Emissions (T CO₂)



Eco-efficiency and sustainable resource usage indicators

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 consumption, and hence its carbon footprint.

Indirect energy consumption by the Bank is from electricity consumption. This is the main source of energy used by Bankinter and its consumption has gradually been reduced in recent years as a result of the efficiency measures adopted (renewal of equipment to increase efficiency, replacement of traditional lighting with LED, systems for the remote management of consumption, etc.).

Bankinter acquires paper according to strict environmental criteria. It is 100% recycled (in Spain and Portugal) and bears the Blue Angel and Nordic Swan ecolabels.

To reduce 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 customers can carry out operations with a digital signature.

Another important milestone was the digitalisation of the recruitment process. In addition to the digital signature of contracts,

Energy Consumption (GJ)

	2019	2018	Change
Electricity	95,363	94,985	0.40%
Diesel	2,837	1,823	55.67%
Natural gas	8,751	9,330	-6.2%
Total	106,951	106,138	0.77%
Total/employee	17.60	18.94	-7.08%

* The scope of this information is the banking business of Bankinter Group (including Spain, Portugal, Luxembourg, and EVO and Avantcard since their inclusion)

* When all consumer bills for the year are not available when the information is collected, an annual figure based on 365 days is obtained to establish the data for the full year.

Water consumption (m³)

	2019	2018	Change
Total	48,758	52,077	-6.37%
Total/employee	8.02	9.29	-13.66%

* The scope of this information is the banking business of Bankinter Group (including Spain, Portugal, Luxembourg, and EVO and Avantcard since their inclusion) * The calculation of water consumption in the branch network is estimated by extrapolating the ratio per employee of a sample of branches with independent and non-community water meters.

Paper consumption (Tn)

	2019	2018	Change
Total	488	457	6.7%
% recycled A4 and A3	86.92	100.0	-13.08%
Total/employee	0.08	0.08	-1.6%

* The scope of this information is the banking business of Bankinter Group (including Spain, Portugal, Luxembourg, and EVO and Avantcard since their inclusion)

* Paper consumption data refer to the consumption of DIN A4, DIN A3 and envelopes.

all the documents associated with each employee now forms part of a personal digital archive, thereby reducing paper requirements.

In 2019, customer information campaigns were continued to replace paper statements with the web correspondence model.

As the Bankinter Group has certified environmental management systems, waste management at its buildings and offices is highly controlled and all corresponding documents and monitoring indicators are kept up to date. The most significant waste produced due to office activities is as follows:

Waste management (kg)

	2019	2018	Change
Paper and cardboard	159,070	189,025	-15.85%
Toner	1,436	401	257.88%
Electronic equipment	35,549	21,244	67.34%

* The scope of this information is the banking business of Bankinter Group (including Spain, Portugal, Luxembourg, and EVO and Avantcard since their inclusion)

* The increase in toner waste in 2019 is due to the change in the management methodology to withdraw toners that had accumulated



Second prize in the fifteenth edition of the Environmental Photography Awards. Raquel Carmona Borralló - Devuelve vida (Giving back life)

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 in 2019 to include the new building in Barcelona.

This system current includes the Entity's four singular buildings in Madrid (Paseo de la Castellana, Tres Cantos, the two buildings in Alcobendas), the building in Barcelona, and the sustainable office in Madrid, which implies that 44% of the Bank's workforce is covered by this environmental certification. The Internal Audit team participated in the annual verification process.

Portugal too has a certified environmental management system, the scope of which includes the headquarters in Marqués de Pombal and the Torre Oriente building, both in Lisbon, and covers 47% of the workforce.

In its Annual Programme of Environmental Management, 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.

Objective 1: Reduce direct emissions (Spain)

What did we do in 2019?

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

KPI	2019	2019 Target	2020 Target
Tonne CO ₂ e / employee	0.18	✓ (-1%)	(-1%)

* Direct emissions have been reduced by 210 tonnes per employee in Spain.

Objective 2: Reduce electricity consumption (Spain)

What did we do in 2019?

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

KPI	2019	2019 Target	2020 Target
MWh / employee	4.65	✓ (-2%)	(-2%)

* Electricity consumption has been reduced by 3.53% per employee in Spain.

In Portugal, an environmental sustainability action plan to 2030 was launched, with 19 initiatives in the areas of energy, mobility, water, the circular economy, citizen involvement and extending the ISO 14001 certification. This programme is part of the package of measures contained in the Lisbon Climate Agenda for 2030 and the commitments deriving from Lisbon's status as the green capital of Europe 2020.

Targets have also been set to reduce employee consumption of electricity (1%) and paper (7%) for 2020.

Objective 3: Reduce our indirect emissions

What did we do in 2019?

Green energy purchases. Promotion of alternative communication platforms (conference calls for internal meetings, video calls with customers), awareness campaigns, good environmental practices, etc.

KPI	2019	2019 Target	2020 Target
Tonne CO ₂ e / employee	0	✓ (-1%)	Continue to purchase green energy.

* Since June 2018 all electric energy consumed in Spain is green energy, with a guarantee of source. Therefore, indirect emissions are zero.

Objective 4: Offset our direct emissions

What did we do in 2019?

Bankinter has offset its 2018 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	2019	2019 Target	2020 Target
Tonne CO ₂ offset	1,067	✓ Direct emissions	Carbon neutrality

Objective 5: Reduce paper consumption

What did we do in 2019?

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

KPI	2019	2019 Target	2020 Target
Tonne of paper / employee	0.08	× (-2%)	(-2%)

*Paper consumption has increase by 3% 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 the Annual Report, Bankinter has a finance sector blog, with a specific category dedicated to news on sustainability, which is broadcast through the Bank's social networks.

In 2019, the main awareness-raising actions included:

- **Bankinter's 2020 calendar** with the dissemination of SDGs and the projects being carried out by the Bank to comply with these goals.
- **15th edition of Environmental Photography Prize.** Held in 2019 under the slogan "What can you do to stop climate change?" and attracted entries from employees from Spain, Portugal and Luxembourg.
- **Support for the Earth Hour campaign,** a WWF initiative to reduce CO₂ emissions. To support the campaign, the lighting of all the Bank's properties was turned off and different devices were disconnected. The participation of employees and customers was also encouraged.




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




As leader of Forética Climate Change Cluster, formed by more than 50 companies from different sectors, in 2019 the group worked on the transformation to a low-carbon economy.

Third prize in the fifteenth edition of the Environmental Photography Awards. Mireia Romero Pascual - Playas limpias (clean beaches)



'Three in a Row' plan for the Environmental dimension - 2018

Strategic lines	Objectives 2019	Level of achievement	Objectives 2020
Climate change strategy	Define the new climate change strategy Adherence to other international initiatives (TCFD)		Neutralising the carbon footprint, ranges 1 and 2 Implementation of the climate change strategy
Environmental management system.	Extension of the scope of the Environmental Management System. Improvement of eco-efficiency per employee indicators (2%)		Extension of the scope of the Environmental Management System. Improvement of eco-efficiency per employee (2%)
Communication and training	Environment awareness-raising and communication campaign. New alignment actions with the sustainable development objectives.		New communication actions with the sustainable development objectives

-  Completed
-  In development
-  To be commenced