

Sustainability



2020 INTEGRATED
ANNUAL REPORT

The objective is to ensure responsible management of the three business dimensions (economic, social and environmental).

Triple management to generate triple value

The sustainability strategy is materialised in the 2016-2020 'Three in a row' plan

Bankinter's sustainability strategy is based on the 2016-2020 'Three in a row' plan for 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 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, in line with its corporate values of agility, enthusiasm, integrity and originality.

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

- The United Nations Sustainable Development Goals (SDGs) challenges
- Regulations such as the Law on non-financial information and diversity and the CNMV's Good Governance Code of Listed Companies
- Analysis of the results of assessments by leading ESG analysts and rating agencies

- International standards and frameworks related to sustainability management (GRI, IIRC, ISO 26000, SGE 21, etc.)
- Consideration of the best practices of global sector leaders
- Analysis of the results of satisfaction surveys filled in by stakeholder groups such as customers and employees
- Analysis of reputation measurement models, such as RepTrak

The sustainability policy is supplemented by the Bank's other internal policies.

Further, Bankinter published its 2020 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 addition, in anticipation of the new legal framework, the Bank had been reporting for years on its social, employment and environmental management.

With a view to drawing up a new Sustainability Plan for the Bank, for the 2021-2023 period, Bankinter has carried out a new materiality analysis.



Stakeholder engagement

A management system for the needs and expectations of its main stakeholders

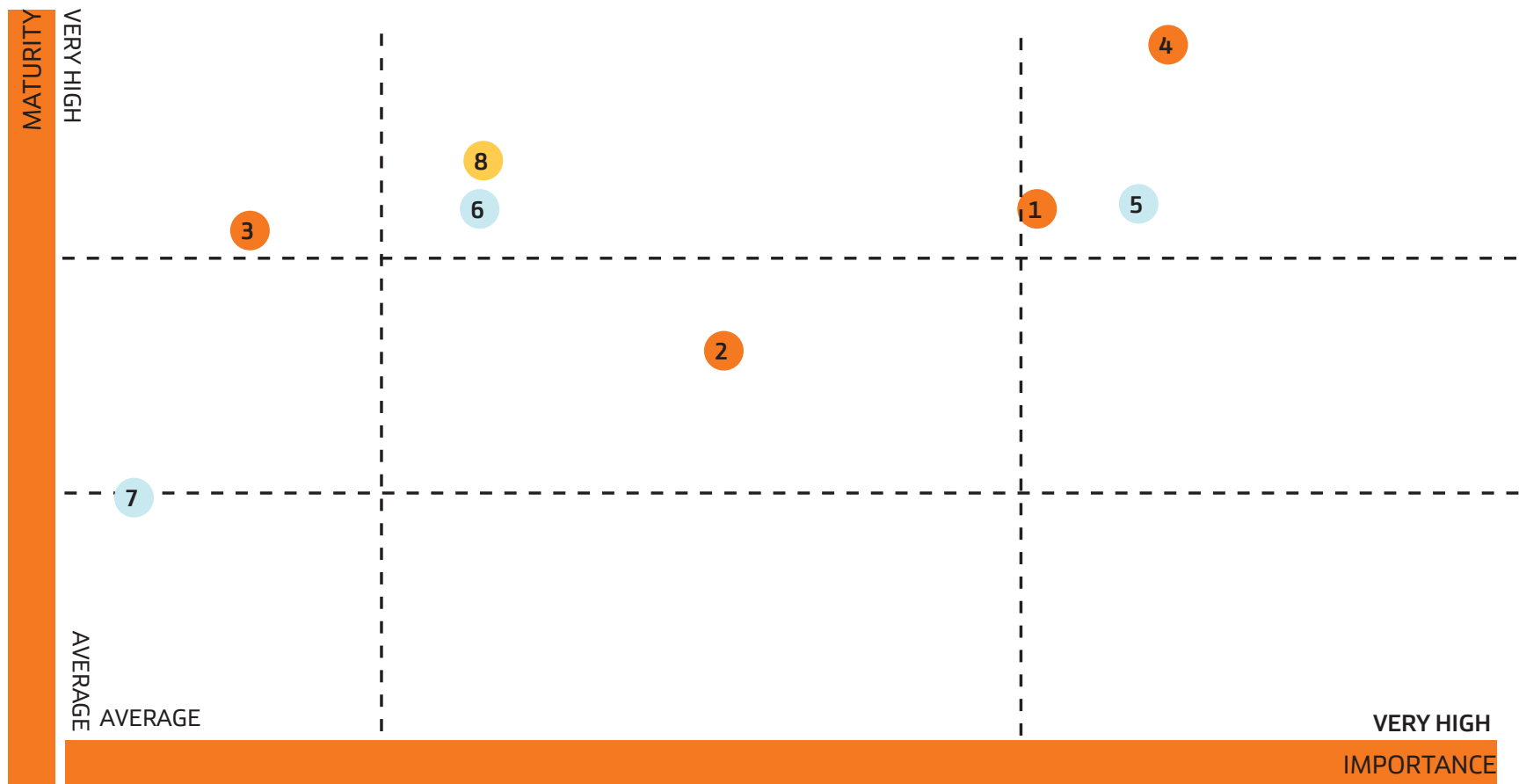
Bankinter identifies the aspects of its activity that have the greatest impact on the environment through a management system for the needs and expectations of its main stakeholders. The system is based on the guidelines in the international framework for non-financial reporting, the Global Reporting Initiative (GRI).

The Bank performs regular significance studies that enable it to improve the effectiveness of its engagement channels for social agents, classifying priority matters using two parameters: the maturity of aspects related to financial activity according to sustainability analysts, and the importance assigned to these aspects by the Bank's main stakeholders, such as customers, employees, suppliers, social and sector opinion leaders, the media and society in general.

Bankinter has performed materiality analysis as part of the design process for a new Sustainability Plan for 2021-2023. This is based on sending a questionnaire to its main stakeholders, to:

- Engage them in joint creation of the new Plan
- Understand their needs and expectations.
- Identify the sustainability issues they consider most relevant and incorporate these into the new Plan
- Obtain suggestions and comments from stakeholders to continue the continuous improvement of the management of environmental, social and good governance aspects, and on the generation of shared value

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



Economic dimension

- 1. Customer relationship management (Economic)
- 2. Business strategy (Economic)
- 3. Corporate governance (Economic)
- 4. Ethics (Economic)

Social dimension



- 5. People management (Social)
- 6. Relations with the community (Social)
- 7. Supply chain management (Social)

Environmental dimension

- 8. Climate change and natural capital strategy (Environmental)

The initiatives developed within the framework of Bankinter's 2016-20 Sustainability Plan are described below, together with the future challenges (which have been incorporated into the new 2021-2023 Plan)

Goal	Targets set	Initiatives developed in Bankinter	Challenges set in Bankinter
 <p>4 EDUCACIÓN DE CALIDAD</p>	<ul style="list-style-type: none"> By 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. By 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 children and adults with disabilities, and on gender differences, offering safe, non-violent, inclusive learning spaces that are effective for everybody. By 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. Provide online financial education platforms for secondary school, baccalaureate and university students. Training programme to facilitate social and employment inclusion for women who are victims of violence and other vulnerable groups. Corporate University certified for physical accessibility to enable training for individuals with disabilities on equal terms. Technical volunteering programmes for senior management in developing countries. Online training for 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. Employee training on the Guiding Principles of Human Rights in the business environment. Classroom training for employees on assisting people with disabilities. Dissemination of the online platform for financial education: Money Town and Game of Traders.
 <p>8 TRABAJO DECENTE Y CRECIMIENTO ECONÓMICO</p>	<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 the business. <ul style="list-style-type: none"> Sustainable lending and financing policy. Promotion of sustainable products. Training and awareness aimed at promoting entrepreneurship. <ul style="list-style-type: none"> Bankinter Innovation Foundation initiatives. <ul style="list-style-type: none"> Entrepreneurs programme. Akademia programme. FTF programme. Cre100do Foundation programmes. Initiatives related to people management. <ul style="list-style-type: none"> Family-responsible company certificate. Bankinter, here to help programme. Programmes to develop human capital. Programmes to attract and retain talent. Certified physical accessibility of working environments. 	<ol style="list-style-type: none"> Establishment of new financing policies for activities and assets with high social or environmental impact. Staff training in the Risk and Asset Management areas in the application of ESG criteria. Expansion of the range of sustainable products. Development of monitoring methodology and control of the Human Rights policy. Development of the Bankinter, here to help programme. Development of Foundation programmes. Extension of the scope of the universal accessibility management system to new work centres.
 <p>10 REDUCCIÓN DE LAS DESIGUALDADES</p>	<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"> Preparation of the Human Rights Policy impact map. 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. Confidential whistleblowing channel. 	<ol style="list-style-type: none"> Training and awareness plan for a diverse culture. Extension of the certification scope of the universal accessibility management system to new work places. Development of products with a high social impact. Extension of the scope of EFR certification. Development of Foundation programmes: Akademia, FTF. Development of financial education programmes adapted to various groups.

Goal	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. Issuance of green bonds. 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. Design and launch of new sustainable products. 6. Green line of credit. 7. Management initiatives related to the Bank's environmental impact. 8. Carbon neutrality in operating activity. 9. Buying energy from renewable sources. 10. Eco-efficiency programmes in the organisation. 11. Actions with environmental and social impact. 12. Disclosure of sustainable performance information. 13. Environmental training and awareness workshops. 14. Implementation of stakeholder communication channel on environmental matters. 15. Environmental mailbox. 	<ol style="list-style-type: none"> 1. Launch of new products: green mortgage. 2. Development of Foundation programmes: FTF. 3. Identification of the impact of lending and financing operations on natural capital. 4. Identification of the CO₂ load of investment and financing portfolios. Customer involvement in reductions. 5. Training employees in sustainability advice. 6. Awareness-raising and communication campaign on climate change for stakeholders. 7. Alignment of reduction targets with the SBTi initiative.
	<ul style="list-style-type: none"> ▪ Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships and strategies for obtaining resources from alliances. ▪ Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilise and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries. ▪ Enhance global macroeconomic stability, including through coordination and policy consistency. ▪ Enhance policy consistency for sustainable development. ▪ Respect each country's policy space and leadership to establish and implement policies for poverty eradication and sustainable development. ▪ By 2030, build on existing initiatives to develop measurements of progress on sustainable development that complement gross domestic product, and support statistical capacity-building in developing countries. ▪ Promote adherence to international initiatives related to sustainable finances and climate risk management. ▪ Promotion of sector actions on sustainable development. 	<p>Initiatives undertaken:</p> <ol style="list-style-type: none"> 1. UNEP FI. 2. Responsible Banking Principles. 3. Equator Principles. 4. United Nations Global Compact. 5. Climate Change Cluster. 6. Transparency and Corporate Governance Cluster. 7. Social Impact Cluster. 8. LBG. 9. Forética. 10. The Diversity Charter. 11. 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 12. Green weekends. 13. Circular weekends. 14. Social Entrepreneurship Awards from the Más Humano Network. 15. Involvement in preparing the Natural Capital Protocol guide for the financial sector. 16. Work groups as part of the Task Force on Climate-related Financial Disclosures 	<ol style="list-style-type: none"> 1. Adherence to the United Nations PRI (Principles of Responsible Investment) 2. Identification and management of new alliances.

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

Economic line

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



Social line

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



Environmental line

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



Economic line

Bankinter is included in the most prestigious sustainability indexes, such as the Dow Jones Sustainability World Index, which recognises Bankinter as one of the twenty five most sustainable banks in the world.

The Bank also appears in other leading sustainability indexes, including the FTSE4Good, MSCI and Carbon Disclosure Project. It also appears in the 2020 Sustainability Yearbook published by S&P Global.

In addition to exercising direct control over the organisation's social action and environmental management, the Sustainability Division also acts as an observatory of trends and risks based on ongoing engagement with stakeholders. This provides first-hand knowledge of their expectations and allows the Bank to identify requirements in an ever-changing environment, with a view to including these in its sustainability strategy.

It also fosters coordinated action among 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 objectives and identifying areas for improvement, according to recognised ethics and sustainability standards and indexes.

Good governance

In the corporate governance chapter of this annual report, considerable information is provided on the size and composition of the board of directors, member selection process, diversity, succession plans and other good practices.

Customer-centric services

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 2020, standing at 41.50%.

Sustainable investment and financing practices

Bankinter has defined Investment Sustainability Principles, as part of its Risk Management and Control Framework. It has established financial guidelines for industries with potentially greater impact on the environment that allow 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 2020, 16 projects to which these principles apply were financed, all in Spain and Portugal and the renewable energy sector. 14 were graded B and two C. Investment came to 340.5 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, this involves the promotion of sustainable, competitive and safe energy sources. Over the course of 2020, the Bank took part in various renewable energy projects (photovoltaic and wind energy, among others).

The Bank has also signed up to the United Nations Environment Program financial initiative (UNEP FI) and has signed the Principles for Responsible Banking. This involves a commitment to align its business strategy with the Sustainable Development Goals and the Paris Agreement.

Bankinter has defined Investment Sustainability Principles, as part of its Risk Management and Control Framework.

Sustainable products

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

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

Eficiencia Energética y Medio Ambiente 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 1,100 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 indexes.

Green bonds. Bankinter coordinated the first green bond programme on the alternative fixed income market (MARF), registered

by the company Greenergy Renovables with a value of 50 million euros. It has also published a Framework Agreement for green bonds, which is accredited by Sustainalytics (second-party 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 renewable energy. Four funds have been created with total investment (debt plus equity) of more than 2.0 billion euros in renewable energy.

Other alternative venture capital funds. The Titan fund, launched at the end of 2019 and which invests in infrastructure (renewables, energy, transport, social infrastructure, etc.), and the VStudent fund, which focuses on student residences.

Pension fund managed with sustainability criteria. This is a mixed equity plan that will invest between 50% and 75% of its assets in the equities of companies around the world that meet environmental, social and good corporate governance standards. It will invest the rest in green bonds issued by private companies and the public debt of OECD countries.

Green/sustainable loans. In addition to incorporating sustainability clauses in credit facilities, green loans have been granted and linked to sustainability performance.

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. Bankinter has signed an agreement with the European Investment Bank to provide 400 million euros to SMEs and mid-caps to finance their investments in Spain and Portugal.

Hal-Cash. This system facilitates access to financial services for groups that do not have bank accounts. It enables customers to send money to any person's mobile phone so that they can withdraw it from an ATM without using a credit card. Orders with a total value of 47.5 million euros were issued through this system in 2020.

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 Bank'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 2020, 39% of all Bankinter's suppliers were assessed based on these criteria.

It should also be pointed out that Bankinter's average payment period to its suppliers is 11.4 days.

'Three in a row' plan for the Economic line – 2020

Strategic lines	Objectives 2020	Level of achievement
Good governance	Continue strengthening the corporate governance framework	
Sustainable practices	Development of the sustainable finances project	
Customer-centric services	Achieve an NPS score of over 41.3% for the Bank	
Socially responsible investment	Training for the asset management area in Socially Responsible Investment	
Sustainable products	Launch of other sustainable products	
Responsible management of suppliers	Training of SME suppliers on adaptation to the new economy of client change	
Communication and training	New communication actions with the sustainable development objectives	

-  Completed
-  In development
-  To be commenced

Social line

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.

Its 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 Universal Accessibility Management System (SGAU) certified according to the UNE 170001 standard, implemented at its head quarters in Madrid, in the Alcobendas building. This system also has LEED platinum certification at the Corporate University located in Tres Cantos, and at seven bank 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 WAGC 2.0 guidelines.

As for accessibility, the Bank offers braille coordinates cards for blind or visually-impaired people to carry out phone transactions, monthly statements in audio and large print formats, and the advisory service by video-calls in sign language for deaf people.

With regard to cognitive accessibility, the Bank has made a Clear Finance Dictionary available to all its stakeholders. Developed by Bankinter in collaboration with the Instituto de Empresa, it explains the meanings of the most commonly used banking terms to make them easier for the general public to understand.

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

To support the financial training of students, Bankinter has launched digital platforms aimed at secondary school and baccalaureate students, and university students.

For the training of secondary school and baccalaureate students, it makes the Money Town platform available to parents and teachers. This is an interactive game that facilitates the understanding of basic financial concepts, and the development of skills and abilities to know how to manage money effectively. At the end of 2020, more than 11,000 users were registered.

For university students, the Bank launched the Game of traders platform in 2020, a stock market game with a major financial training component. It allows participants to operate as real traders and thus start in the investment world in an environment that simulates the behaviour of real-life markets.

Bankinter also has a collaboration agreement with the Confederación Estatal de Personas Sordas (CNSE) to make financial knowledge available to people with hearing difficulties. The financial education actions for this group include the dissemination of training videos online.

Its 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.

Advanced employee management

Bankinter has been included in the Top Employer Spain ranking for 14 consecutive years. Companies included are recognised for offering a full package of social-labour measures for their employees.

Bankinter still holds 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 terms of diversity, the Bank has drawn up its Diversity and Inclusion Policy, and it should be noted that there is a high percentage of women in all categories within the company. The Bank also carries out initiatives to facilitate the hiring of people with disabilities through agreements with Fundación ONCE, Fundación Integra and Adecco, among other organisations.

Regarding the development of human capital, 99% of employees received training throughout the year, with an average of 79 hours per employee. Likewise, the Bank is developing metrics (based on recognised methods such as Kirkpatrick) to know the

return on investment (ROI) of some of its training programmes.

During the year, 99.6% of the staff in Spain eligible for a performance assessment received one, with 95.2% of personnel managers being subject to bottom-up assessment.

In 2020, the results regarding employee satisfaction from the OPINA survey have improved.

With regard to health and safety management, Bankinter Portugal has a management system with ISO-45001 certification, and at Bankinter Spain the mandatory audits on health and safety have been carried out by an independent third party.

In 2020, the Bank's initiatives to further develop employee well-being management included the digital, inclusive and personalised programme 'Bankinter, here to help' to train and educate employees about the importance of health care, promoting a culture of safety and physical and emotional well-being.

For further information, see the People chapter in this Report.

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 that have a major environmental impact. In addition to the external value it contributes to communities, this programme strengthens the Bank's organisational culture internally and develops new competences, skills and sensitivities in our volunteers.

Due to the restrictions in response to the COVID-19 pandemic, face-to-face volunteering days were replaced, as far as possible, by online activities in 2020.

Bankinter has continued to promote financial integration through technical volunteering activities and financial training for groups such as secondary school and baccalaureate students, young entrepreneurs and people at risk of social exclusion. These 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 2020:

Participation in the sixth 'Your Finances, Your Future' project. This was 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 their finances.

Workshops for socio-employment inclusion delivered to groups at risk of social exclusion who are beneficiaries of the Integra Foundation.

Sixth Bankinter Solidarity Challenge. A sports and solidarity event promoted among the employees of Bankinter Spain and Portugal. The donations received were passed on to the Spanish Red Cross health programme.

Collaboration with A smile for Christmas, an initiative organised by International Cooperation. This campaign was promoted among the Bank's employees to collect donations of new toys for children of families at risk of social exclusion at Christmas.

Citizenship

In the communities in which it operates, Bankinter establishes strategic alliances with 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 strategy. The Bank is contributing to meeting the sustainable development goals (SDGs), based on the firm belief 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 partner of the Lealtad Foundation, a non-profit institution whose objective is to provide accreditation for associations and foundations that comply with the nine transparency and good practice principles.

As part of its management of social action, the Bank has developed metrics to measure the business and social benefits of its action programs.

This is based on the methodology developed by Corporate Citizenship Limited and the London Benchmarking Group (LBG) to quantify and categorise social action initiatives according to the type of activity and the resources allocated. This methodology enables the measurement, management, evaluation and reporting of the contributions, achievements and impacts of the Bank's social action.

The Bank is also a promoting partner of Forética, a leading association of companies that promotes corporate social responsibility and sustainability in Spain and Latin America.

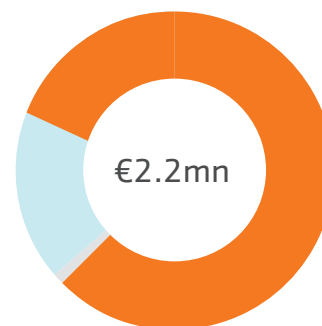
As a result of this dialogue with the voluntary sector, 164 initiatives were assessed in 2020, resulting in 31 collaborations with various non-profit organisations.

Bankinter offers products and services for charitable purposes to support the work of voluntary associations. These include the Bankinter Solidarios card (whose fees are donated to social projects within the framework of the Involvement and Solidarity Programme) and the Bizum Solidario service, to facilitate micro-donations using mobile phones. It also offers charity accounts to NGOs for fundraising, with no fees at the source or destination.

The Bank was involved in organising the fifteenth Mashumano Youth Awards, which recognise entrepreneurs who provide innovative, sustainable and socially responsible solutions. Specifically, Bankinter sponsored the 'Best solution for helping to integrate people with disabilities' category.

In 2020, the ninth 'Involvement and Solidarity' programme took place, an initiative that finances ten social projects through the fees from the Bankinter Solidarios card. This involves several of the Bank's stakeholders – customers using the Bankinter Solidarios visa card and employees – who this year submitted more than 200 projects.

Social investment (LBG)



- Cash 82.3%
- Time 0.9%
- In-kind 0.2%
- Management costs 16.5%

COVID-19 crisis:

Extraordinary management for extraordinary times

In response to the health and social crisis triggered by the COVID-19 pandemic, the Bank launched a battery of measures to try to mitigate the effects of this crisis on suppliers, private customers, companies, SMEs and the self-employed.

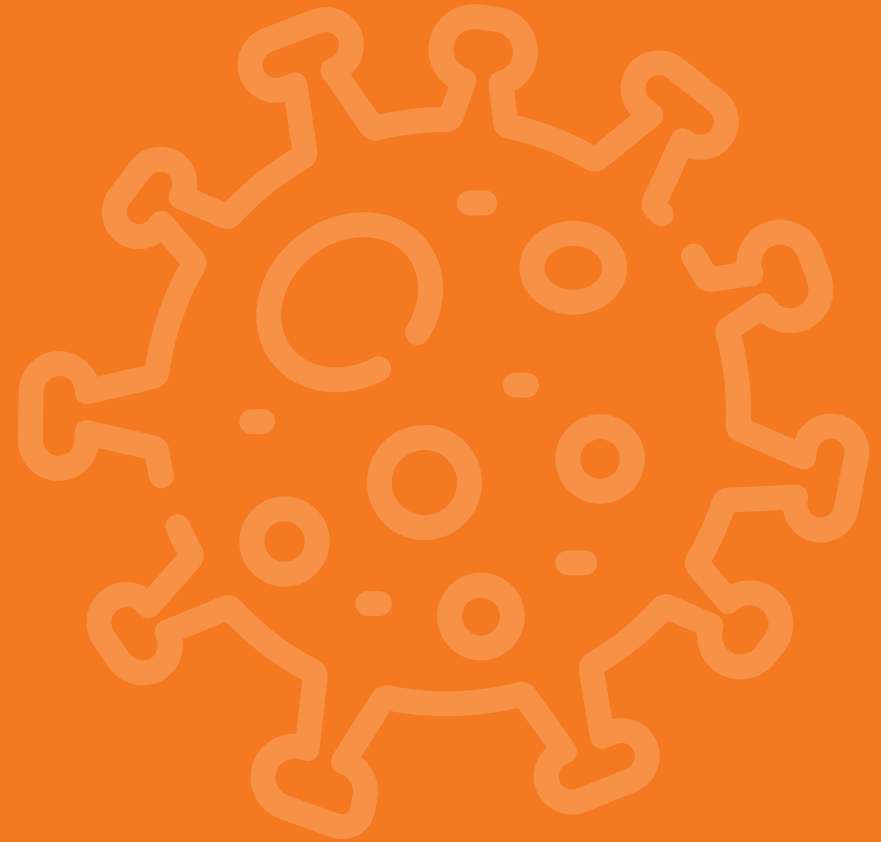
In addition, the accounts disclosure enabled for emergencies was activated.

The Red Cross' emergency appeal in response to the COVID-19 crisis was promoted through the Bank's social networks (LinkedIn, Facebook and Twitter) and Bizum channels.

Bankinter also collaborated in the assembly of the emergency hospital set up by Doctors of the World at the Gregorio Marañón Hospital in Madrid.




Bankinter collaborated with the ANAR Foundation to reactivate a support chat for children and young people suffering from domestic abuse, a problem aggravated by the lockdown.

A volunteering initiative was launched with the Adecco Foundation offering remote-assistance during the lockdown, to help people with disabilities and mental illness on that Foundation's employment programme.



'Three in a row' plan for the Social line – 2020

Strategic lines	Objectives 2020	Level of achievement
Financial inclusion	Development of accessibility to the physical and digital work environment	
Advanced employee management	Implementation of a training programme for digital culture acceleration. Progress of programmes to promote health and safety.	
Bankinter Innovation Foundation	Development of Foundation programmes.	
Volunteering	Extend financial education programmes to all organisations.	
Citizenship	Dissemination of the on-line platform for financial education, 'Money Town'.	
Social footprint management	Evaluation of the social and economic impact of the activity	
Structure	New communication actions with the sustainable development objectives	

-  Completed
-  In development
-  To be commenced

Environmental line

The Bank'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, which carries out the periodical monitoring of environmental indicators and the implementation and development of the environmental management system.

The environmental strategic axis also includes the Climate Change Strategy, with short-, medium- and long-term objectives, and the Carbon Footprint management system, 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 Bank has also drawn up sector financing guidelines, based on social and environmental criteria, for certain sectors that, due to their social or environmental impact, are considered most relevant. An energy sector policy was implemented in 2020.

Bankinter Gestión de Activos, the collective investment institution management company (CII), which is 100% owned by Bankinter Group, is increasing its firm commitment to sustainability and will incorporate environmental, social and good governance (ESG) criteria for all its investment funds during 2021.

The Bank collaborates with leading organisations that assess and evaluate its environmental performance, such as the Carbon Disclosure Project (CDP), of which Bankinter has been a signatory company from the beginning. In its 2020 assessment, Bankinter was recognised as one of the leading banks for climate change management, obtaining an 'A-' rating in the 'Leadership' category.

Bankinter also joined the United Nations Environment Programme sector initiative (UNEPFI) during the year, signing the Principles for Responsible Banking. This framework has been established for conducting sustainable banking in line with the SDGs and the 2030 Agenda.



CDP names Bankinter one of the leading banks for climate change management.

First prize in the 16th edition of the Environmental Photography Awards. María Lorna Cuadrado. *May your health not interfere in theirs.*

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 have a major role to play 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 investment policies.

In 2019, Bankinter drew up a 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).

In relation to the objectives set for the year:

- Bankinter is already carbon neutral for scopes 1 and 2.
- 100% of the electricity consumed in the Bank's facilities at the end of the year comes from renewable sources.
- Significant progress has been made in implementing the TCFD (Task Force on Climate-Related Financial Disclosure) recommendations.

- The energy sector policy has been added to the group of sector guides with ESG criteria.
- The Bank's exposure to climate change risks was subject to an initial analysis.
- Membership of UNEPFI, the Principles of Responsible Banking and the Financial Commitment for Biodiversity.
- New sustainable products were launched, such as the issuance of green bonds and a pension plan with ESG criteria.

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. A sustainable finances work group was also created to address future EU regulatory requirements.



Second prize in the XVI edition of the Environmental Photography Awards. Alfredo Rubín Rodríguez. *Flow*.

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 for reviewing 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 the 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 Statement, which includes information on climate change, is prepared by the board of directors and verified by an independent external auditor Creation of the Sustainable Finance working group, which will report to the Sustainability Committee 	<ul style="list-style-type: none"> 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 Priority short-, medium- and long-term objectives have been established in the climate change strategy Development of opportunities identified: new products and sustainable services Analysis of the Bank's portfolio in relation to climate change risks based on a range of scenarios 	<ul style="list-style-type: none"> Development of opportunities identified: new products and sustainable services Membership of the Science Based Targets initiative Definition of a roadmap for adapting the Bank's portfolio to the emissions reduction taxonomy and targets
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 Implementation of the Equator Principles Sector policies and sustainability principles in the risk framework agreement Work meetings with business units Initial climate change risk analysis for the Bank's portfolio Implementation of a risk-analysis tool for the Bank's portfolio Creation of the Sustainable Finance working group Establishment of a sector energy policy 	<ul style="list-style-type: none"> Development of processes to manage climate-related risks Extension of sector policies to other industries Development of opportunities identified: new products and sustainable services
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 Study to expand Scope 3 reporting based on publication of the 'Corporate Value Chain (Scope 3) Accounting and Reporting Standard' GHG Protocol. Principal short-, medium- and long-term objectives established in the climate change strategy Initial attempt to calculate the carbon footprint of the Bank's portfolio 	<ul style="list-style-type: none"> Adoption of standard methodology to calculate all Scope 3 emissions Disclosure of 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 (e.g. travel for work and consumption of paper, toner and water).

In 2020, the Bank's calculation of its organisational carbon footprint in Spain and Portugal was subject to external assurance by the 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 2019) with the Carbon Footprint Registry of the Ministry of Ecological Transition and the Demographic Challenge.

Bankinter is already carbon neutral for Scope 1 and 2 emissions in its activity in Spain, Portugal and Luxembourg. Its direct emissions are offset through the Zero CO₂ initiative of Fundación Ecología y Desarrollo (Ecology and Development Foundation) in the Amazon Conservation project in Madre de Dios, Peru. All of the electricity consumed (Scope 2) in Bankinter's facilities has been green energy with guarantees of origin since mid-2018 in Spain and since July 2020 in Portugal, hence the significant decrease in figures for Scope 2 emissions.

The special situation caused by the COVID-19 pandemic in 2020 influenced trends in the emissions indicators as buildings and offices were not fully occupied and a large part of the workforce was working remotely for part of the year, with the resulting influence on emissions from employee travel, for example.

In 2021, more Scope 3 emissions fields will be included, based on the publication of the 'Corporate Value Chain (Scope 3) Accounting and Reporting Standard' GHG Protocol, by estimating emissions from accounting entries.

Total CO₂ emissions (Tn)

	2020	2019
Total emissions	10,417.17	14,545.52
Total/employee	1.71	2.39

CO₂ emissions Scope 1 (Tn) *

	2020	2019
Gas/Diesel/Air conditioning gases	1,391.97	1,080.88
Total/employee	0.23	0.18

* The scope of the data is the banking business of Bankinter Group (including EVO and Avantcard since their incorporation in June 2019). The increase is due to the fact that the full year of 2020 has been recorded in EVO and Avantcard vs only 7 months in 2019, since their inclusion.

* OECC emission factors, carbon footprint registry, offset and carbon dioxide absorption projects (Version 15 - June 2020)

CO₂ emissions Scope 2 (Tn) *

	2020	2019
Electricity	813.84	1,474.92
Total/employee	0.13	0.24

* 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 15 - June 2020)

CO₂ emissions Scope 3 (Tn) *

	2020	2019
Business travel	1,232.46	3,273.38
Business trips	4,616.38	6,261.02
Water	13.76	15.65
Paper	291.34	385.89
Toner	38.08	31.90
Waste	4.79	5.09
Computer equipment	879.15	879.21
Furniture	65.28	76.28
Customer electricity consumption	1,051.89	1,053.81
Cleaning products	6.39	3.37
Maintenance travel	11.84	13.88
Total	8,211.36	11,989.72
Total/employee	1.34	1.97

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

* IT equipment, furniture and cleaning products: estimates 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.

* OECC emission factors, carbon footprint registry, offset and carbon dioxide absorption projects (Version 15 - June 2020)/SIMAPRO (Ecoinvent System Processes)

Eco-efficiency and sustainable resource usage indicators

Bankinter 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 consumption and hence our carbon footprint.

Trends in the indicators in 2020 were influenced by the special situation caused by the COVID-19 pandemic, as the buildings and offices were not fully occupied during part of the year.

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 branches and which has been extended in recent years to various operations and products (investment fund agreements, current accounts, deposits, pension plans, updating of customer information, powers of attorney, etc.). This has resulted in an estimated annual reduction of more than 100,000 paper documents per year.

Another important milestone was the digitalisation of the recruitment process. In addition to the digital signature of contracts, all the documentation associated with each employee now forms part of a personal digital archive, thereby reducing paper requirements.

In 2020, 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 documentation and monitoring indicators are kept up to date.

Energy consumption (Gj) *

	2020	2019	Change
Electricity	92,455	95,477	-3.16%
Diesel	4,121	2,798	47.30%
Natural gas	9,958	8,783	13.38%
Total	106,534	107,057	-0.49%
Total/employee	17.44	17.61	-0.96%

* The scope of the data is the banking business of Bankinter Group (Bankinter Spain, Portugal and Luxembourg and EVO and Avantcard since their inclusion in June 2019). The increase in some indicators is due to the fact that the entire year 2020 has been recorded for EVO and Avantcard vs only 7 months in 2019, since their inclusion.

* Where all consumption bills of the year are not been available upon gathering the information, an annualisation has been made to 365 days to obtain the data for the full year.

Water consumption (m³) *

	2020	2019	Change
Total	42,867	48,758	-12.08%
Total/employee	7.02	8.02	-12.50%

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

* 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) *

	2020	2019	Change
Total	353	491	-28.08%
% recycled A4 and A3	93%	87%	7.36%
Total/employee	0.06	0.08	-28.42%

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

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

Waste management (kg)

	2020	2019	Change
Confidential paper	143,194	159,020	-9.95%
Toner	2,128	1,436	48.16%
Electronic equipment	19,564	35,445	-44.80%

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

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 includes the Entity's four singular buildings in Madrid (Paseo de la Castellana, Tres Cantos and the two buildings in Alcobendas), the building in Barcelona, and the sustainable office in Madrid. This means that 44.5% of the Bank's workforce is covered by this environmental certification. The Bank's building in Bilbao was also included in the scope of the system in 2020. This will be audited in 2021. The Internal Audit area is involved in the annual verification process.

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.

Portugal also has a certified environmental management system, the scope of which includes the headquarters in Marquês de Pombal and the Torre Oriente building, both in Lisbon, and covers 41.6% of the workforce.

Objective 1: Reduce direct emissions (Spain)

What did we do in 2020?

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

KPI	2020	2020 Target	2021 Target
Tonne CO ₂ e/employee	0.23	× (-1%)	(-1%)

* Direct emissions have increased due to a higher number of air conditioning leaks detected in the facilities. However, as in previous years, they have been fully offset.

Objective 2: Reduce electricity consumption (Spain)

What did we do in 2020?

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

KPI	2020	2020 Target	2021 Target
Gj/employee	15.6	✓ (-2%)	(-2%)

* Electricity consumption has been reduced by 6.87% per employee in Spain.

Objective 3: Reduce our indirect emissions

What did we do in 2020?

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

KPI	2020	2020 Target	2021 Target
Tonne CO ₂ e/employee	0	✓ 100% green energy	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 2020?

Bankinter has offset its direct annual emissions from its business in Spain, Portugal and Luxembourg 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	2020	2020 Target	2021 Target
Tonne CO ₂ offset	1,208	✓ Neutral, Scopes 1/2	Neutral Scopes 1/2

Objective 5: Reduce paper consumption

What did we do in 2020?

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

KPI	2020	2020 Target	2021 Target
Tonne of paper / employee	0.06	✓ (-2%)	(-2%)

*Paper consumption has decreased by 26.8% per employee in Spain.

In Portugal, an environmental sustainability action plan to 2030 has been launched, with 19 initiatives in the areas of energy, mobility, water, the circular economy, citizen involvement and extending 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.

The following environmental objectives have been set for 2021:

- Electricity consumption: 1% kwh/employee reduction
- Paper consumption: 5% reduction Tn paper/employee
- Waste: 5% tn/employee reduction of plastic waste
- Increase the scope of the environmental management system with the 15 branches in Lisbon, in accordance with the Lisbon Green Capital Commitment signed in 2019.

Biodiversity

In Spain, Bankinter headed up a project with the Natural Capital Coalition in 2018. Its objective was to develop a specific guide for the financial sector that facilitates the identification and management of impacts on natural capital. This represented a first step in evaluating the Bank's biodiversity portfolio.

The Bank joined the 'Business and Biodiversity' working group for financial institutions to understand best practices in relation to these aspects. In 2020, at the initiative of this group, Bankinter signed the Finance for Biodiversity Pledge. It is one of 26 financial institutions from around the globe that presented the manifesto during the Nature for Life Hub organised by the United Nations Development Programme, the United Nations Environment Programme and the Convention on Biological Diversity. In December, 11 new financial entities joined as well.



Objectives for 2024:



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 media. In 2020, 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.
- XVI edition of Environmental Photography Prize. Held in 2020 under the slogan 'Environment and Health' and attracted entries from employees from Spain, Portugal and Luxembourg.

- Supported 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.

Bankinter is the leading entity in the Climate Change Cluster promoted by Forética, adhered to by more than 50 companies from different sectors. During 2020, the Group looked into the transformation to a low-carbon economy. A paper was presented with the nine levers for this transformation, highlighting the main tools, challenges and leading organisations in the different fields, as well as the opportunities for companies when activating these levers.



Third prize in the XVI edition of the Environmental Photography Awards. Jorge Rabasco Sánchez. *Sunset by the sea.*

'Three in a row' plan for the Environmental line – 2020

Strategic lines	Objectives 2020	Level of achievement
Climate change strategy	Carbon footprint neutrality, scopes 1 and 2 Implementation of the climate change strategy	●
Environmental management system.	Extension of the scope of the Environmental Management System.	●
Communication and training	New communication actions with the sustainable development objectives	●

- Completed
- In development
- To be commenced