

**2021
Consolidated
Statement of
Non-Financial
Information**

Bankinter Group



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Letter from the chairman

Pedro Guerrero

Ethical management and business transparency are core principles for Bankinter. We are firmly committed to these.



As the chairman of Bankinter and its sustainability committee, I have the pleasure of presenting this 2021 Statement of Non-Financial Information. This Statement sets out the Bankinter Group's initiatives and achievements in the management of environmental, social and governance (ESG) aspects, demonstrating how our commitment to ethical management and business transparency is a core value in our culture.

Management of these aspects is one of the priorities for Bankinter Group. In 2021, the group decided to establish a new Sustainability Policy. This is more ambitious and far-reaching than its predecessor, and will form the basis of the new strategic plan we are developing. This new plan tackles the management of environmental, social and governance aspects for the period 2021-23. Its main strategic approaches include good corporate governance, sustainable finance, financial inclusion and development of our climate change strategy.

Bankinter is a signatory to the main international agreements and commitments promoting this change, reflecting our commitment to contributing to the transition of the economy to a more sustainable model. For example, the bank is a member of the Spanish Global Compact Network and we are committed to incorporating its ten principles of conduct on human rights, employment, the environment and the fight against corruption into our activities.

The bank is also a member of the UNEP FI, the United Nations Environment Programme for the financial sector, and has committed itself to contributing to sustainable development by adopting responsible yet profitable economic practices. Within this framework, the bank has signed up to the Principles for Responsible Banking, with the commitment to integrate sustainability criteria into all levels of the organisation.

The transition to a decarbonised economy involves risks, but it also offers opportunities for the financial sector. For this reason, the bank's climate change strategy has adopted the recommendations of the

leading international initiatives in this area, such as the Financial Stability Board's TCFD (Task Force on Climate-Related Financial Disclosures), on disclosure of information relating to the implications of climate-related risks and opportunities.

Bankinter joined the Net Zero Banking Alliance in 2021. The bank has been offsetting the carbon emissions from its operating activities since 2020. Joining the Net Zero Banking Alliance formalises this commitment to neutralise the emissions from its financial and investment activities before 2050, in line with the objectives of the Paris Agreement on climate change

In recognition of the strength of its ESG management, Bankinter has been included in the global Dow Jones Sustainability Index (DJSI) for the fourth consecutive year, and in the European index for the fifth year. The bank's sustainable management was also recognised by other sustainability indices and ESG rating agencies in 2021, such as FTSE4Good, MSCI ESG and the CDP. It was also included in the Euronext Vigeo Eiris Eurozone 120 ESG index for the first time and has been recognised in the S&P Global Sustainability Yearbook, in the Bronze category.

These outstanding non-financial management credentials, which go hand-in-hand with the bank's excellent financial results in the year, are increasingly appreciated by its stakeholders, particularly institutional investors and proxy advisors, encouraging the bank to strive ceaselessly to improve its ESG performance.

I would like to thank you for your interest in Bankinter Group's sustainability performance. I invite you to read about our initiatives and projects in this area in 2021 in our Statement of Non-Financial Information.

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Introduction

This document contains information on the results and performance of the Bankinter Group's non-financial indicators, reflecting the impact of its activity on environmental, social and employment aspects, respect for human rights and the prevention of corruption and bribery. This is in accordance with the provisions relating to non-financial information and diversity in Law 11/2018, of 28 December, modifying the Commercial Code, the consolidated text of the Spanish Companies Act approved by Royal Legislative Decree 1/2010, of 2 July, and Law 22/2015, of 20 July, on Account Auditing.

This Statement of Non-Financial Information is included in the Management Report presented with the consolidated annual financial statements for 2021, as required under article 49.6. of the Commercial Code introduced by Law 11/2018.

The group must provide a brief description of its business model, a description of the policies in relation to these matters and the measures adopted, the results of these policies, the risk principles related to these matters in connection with the group's activities, the management of these risks, and non-financial key performance indicators.

The 2021 information on Bankinter Group includes the following companies: Bankinter and its subsidiaries, EVO and Avant Money. The scope of each indicator is specified in the tables for the indicators in appendix II to this report. With regard to the information reported for previous years, Línea Directa Aseguradora Group and its subsidiaries are no longer included in the scope of the report, as they ceased to be part of the Bankinter Group in April 2021.

The 2021 Consolidated Statement of Non-Financial Information has been prepared in accordance with current commercial legislation and in line with the criteria and principles of the GRI Standards and the Financial Services Sector Supplement. Bankinter Group applies the GRI Standard (Comprehensive option) as well as the EU 2017/C215/01 guidelines on non-financial reporting.

The provisions of the European Taxonomy (Regulation (EU) 2020/852 and Commission Delegated Regulations 2021/2139, of 4 June, and 2021/2178, of 6 July) have also been taken into account.

The information in this document relating to the requirements of Law 11/2018, on non-financial information and diversity, and the GRI Standards for reporting non-financial information has been verified with a limited scope by PwC (PricewaterhouseCoopers Auditores, S.L.), in accordance with code 49 of the Commercial Code.

This document also includes certain information that is provided in more detail in other documents, such as the Consolidated Legal Report, the Integrated Annual Report, the Annual Corporate Governance Report and the 2021 Remuneration Report.

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Business model

Diversity in business lines



Bankinter Group pursues several business lines that are well focused and complement each other. It carries out most of its business in Spain and Portugal, but is also active in Luxembourg and Ireland.

Corporate banking is a core activity for Bankinter, as it was initially founded as an industrial bank. The area is divided into several businesses: Corporate Banking (business groups with annual turnover of more than 50 million euros), Mid-Corporate Banking (companies with annual turnover between 5 and 50 million euros) and SME Banking (companies with annual turnover of up to 5 million euros). Moreover, in line with the strong commitment of Spanish companies to foreign markets, Bankinter also provides services through its International Banking business. Loans and receivables amounted to 28,700 million euros, with the portfolio in Spain increasing by 1%, compared with a 1.4% contraction in the sector until November. This improvement was achieved despite the absence of ICO-backed loans, which were very important in 2020. Bankinter's market share increased from 5.3% to 5.4%.

Commercial Banking is organised on the basis of the value of the customer's asset: Private Banking, Personal Banking and Individual Retail Banking, and the Foreign Customers area, are mainly concentrated on the Spanish Mediterranean coast and in the Canary Islands. The performance of the business was satisfactory in 2021, with strong growth in all lines. The assets under management in Private Banking amounted to 49,900 million euros, compared to 42,800 million in 2020, with 3,600 in net new assets. Personal Banking amounted to 29,800 million euros, with 2,800 million in new assets. All commercial retail banking products performed positively. The balance for salary accounts in Spain increased from 12,700 million euros to 14,900 million euros. 2021 was one of the best years ever for Bankinter's mortgage business, with new loans (including EVO Banco) amounting to 5,900 million euros, a 58% increase on the previous year. The mortgage portfolio totalled 31,300 million euros at 31 December,

with 8.6% growth in Spain, compared to 1.3% for the sector as a whole, according to figures to November from the Banco de España (Spanish National Central Bank).

Asset Management. The bank's commercial and advisory activity resulted in a 26.9% increase in off-balance sheet managed funds compared to 2020, to 39,533.6 million euros. The improvement was especially significant in investment funds, both proprietary and third party, which increased by 30% to 29,800 million euros, with some products being among the most profitable in their categories.

Investment banking. Bankinter Investment, the company responsible for investment banking, has become a benchmark for activities such as alternative investment. It has launched 16 investment vehicles in a wide range of economic sectors, attracting 3,200 million euros of capital from more than 3,000 private banking and institutional customers. The balance for structured financing stands at 4,000 million euros. As a result, Bankinter Investment's gross operating income increased to 187 million euros, from 116 million in 2020.

Bankinter Portugal. It made a pre-tax profit of 50 million euros, which is reflected in all of its business indicators and margins. The loan book grew by 6% to 6,900 million euros, while customer deposits increased by 23% to 5,900 million euros. Off-balance sheet assets under management increased by 22%, to 4,400 million euros. Net interest income was 99 million euros (+5%) while gross operating income was 152 million euros (+10%), due to the strong performance of fee income, at 61 million euros.

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Bankinter Consumer Finance. At 31 December, the consumer business brand had a loan book of 3,500 million euros (+23%), with 1,500 million in new production. Consumer loans accounted for 1,900 million euros, with the remainder relating to various types of cards and the mortgages marketed in Ireland. Activity in Ireland, through the Avant Money brand, expanded considerably in 2021, with 1,000 million euros in the loan book at year-end, of which 400 million euros was accounted for by new mortgages. The bank has already become a major player in this market, despite only having started this business there recently. Avant Money's NPL ratio is 0.6%.

EVO Banco. Evo is continuing to consolidate its position among the younger and digital customer segments, with 678,000 customers at year-end 2021 and loans and receivables of 1,860 million euros, compared to 1,224 million in 2020. New mortgages amounted to 729 million euros (395 million in 2020). This reflects the level of recovery caused by the digital bank in this business.

Bankinter Group pursues several business lines that are well focused and complement each other. Most of the group's business is in Spain and Portugal, but it is also active in Luxembourg and Ireland.



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Strategy

Increased commercial drive in response to the economic recovery

2021 was marked by a recovery in economic activity after a particularly difficult year caused by the pandemic. The measures put in place by public authorities prevented the damage caused by the economic shutdown from becoming structural. Together with the country's excellent vaccination figures, these measures mitigated the effects of the virus and are behind the recovery of the economy, which was reflected in strong employment figures at the end of the year.

Banks once again demonstrated their importance for recovering economies, facilitating the delivery of assistance and providing financial support for companies and families. As a result, after a difficult year for the business in which entities had to redouble their efforts and bolster their balance sheets in anticipation of future impacts, 2021 saw an improvement in activity and profits in the sector.

Against this backdrop, in its latest stress tests, the European Banking Authority recognised Bankinter as the most robust, solvent and resilient bank in Spain, placing it third in Europe. Underpinned by these strong foundations, the bank has maintained an active commercial strategy, promoting its lines of business to generate higher income to offset the absence of Línea Directa Aseguradora, which left the bank's perimeter at the end of April, following a successful deal that generated positive remuneration for shareholders after distribution of the issue premium.

Bankinter has boosted its activity in the various segments for individual customers, particularly those with higher net worth, with significant growth in the balance sheets of Private Banking and Personal Banking, and in businesses such as mortgages and Asset Management, especially investment funds.

The bank has also strengthened its digital investment offering with the launch of Bankinter Capital Advisor, the first 100% online advisory service. This is aimed at investors who want to invest in funds and build and modify their own portfolios, while receiving recommendations based on their profiles.

The bank has a strong position in the alternative investment business through Bankinter Investment, with the launch of new vehicles and the successful sale of the Helia I renewable energy fund being highlights in the year.

In the Corporate segment, the bank has built on its trusted position by supporting companies in applications for and processing of European support, facilitating their international activity and optimising management with small- and medium-sized enterprises, through a new relationship model adapted to the circumstances and characteristics of each customer.

This strategy of considering the needs of each customer, launching new products and services, and driving sales is reflected in the strong figures for recurring business and profit.

Integration of non-financial aspects into the business

Bankinter's new sustainability strategy is set out in the 2021-2023 Sustainability Plan, known as "3D". The objective this Plan is to develop responsible management of the three business dimensions (environmental, social and governance) to generate threefold impact wherever the group operates.

This plan is based on the Sustainability Policy approved by the board of directors in March 2021, which aims to contribute to sustainable, inclusive and healthy development based on the bank's three strategic pillars (quality, innovation and technology).

The Sustainability Policy is complemented by the bank's other internal policies, and considers references such as the United Nations Sustainable Development Goals, the Law on Non-Financial and Diversity Information, the CNMV Good Governance Code, the sustainability assessments of analysts and rating agencies, international standards and frameworks, such as the GRI and ISO 26000, and best practices in these areas.

The bank establishes an annual sustainability training plan. This covers issues such as the application of human rights in the company and specific qualifications for employees in key areas (such as Risks and the Asset Manager), who need to understand and apply ESG criteria in investment and financing decisions.

This report details the entity's efforts to integrate environmental, social and governance principles into its business strategy. Bankinter renewed its membership of the most prestigious international sustainability indices last year. It is also a member of the Net Zero Banking

Alliance, reinforcing its commitment to achieving net-zero emissions in its investment and financing operations by 2050. The bank also offers an extensive catalogue of sustainable products to meet the growing demand of investors. In 2022, Bankinter is developing a roadmap for decarbonising its loan book.

Bankinter's new sustainability strategy is set out in the 2021-2023 3D Sustainability Plan



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Risk management

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Risk management

Maintaining lending activity during the recovery



Risk appetite

The group maintains its risk appetite levels and principles, and a prudent risk profile. Risk management is one of the cornerstones of Bankinter's competitive strategy. The bank has a risk management model of proven effectiveness that is in line with regulatory standards and best international practices, in proportion to the scale and complexity of its business activities.

The board of directors is ultimately responsible for risk management. It approves the risk strategy and, in particular, defines the risk appetite framework. The risk appetite framework is an internal governance document that defines:

- The type and levels of risk that the group considers reasonable to accept as part of its business strategy
- A set of metrics and key indicators to monitor and manage risks. These cover variables such as risk levels and cost, returns, liquidity and capital. Tolerance levels and thresholds are established for each metric. If these are breached, they trigger corrective measures

The Risk Appetite Framework establishes the criteria that govern the group's risk strategy:

Risk appetite statement. Bankinter performs its business activities with a moderate and prudent risk profile, pursuing a stable balance sheet and a recurring and sound income statement, to maximise its long-term value.

Risk management principles. The group's risk appetite and tolerance in its activities are subject to the following principles:

- Prudent strategies, policies, organisation and management systems adapted adjusted to the size, environment and complexity of the group's activities, based on quality banking practices.
- The entity's respect for and conformance to established regulatory requirements, limits and restrictions, ensuring proper compliance with prevailing legislation at all times and maintaining the principle of anticipating new regulatory developments, to reduce their potential impact.
- Maintenance a low or moderate credit-risk exposure, in line with the values shown by the lowest NPL ratio in Spain's financial system and the lowest expected losses under stress scenarios.
- Work with first-class financial institutions in every country, of recognised solvency and sufficient rating to limit counterparty risks.
- Appropriate hedging of problematic assets.
- Work with first-class financial institutions in every country, of recognised solvency and sufficient rating to limit counterparty risks.
- Adequate return on capital invested, ensuring a minimum return over the risk-free rate throughout the cycle and complying at all times with target capital levels and operating profitably.
- Maintenance of a low level of market risk in the trading portfolio, so that the losses generated in stress scenarios have an extremely limited impact on the bank's income statement.

- An ALCO portfolio comprising low-risk securities and a return commensurate with the entity's RoE requirements, designed to reduce the volatility of net interest income and adjust the impact of any changes in interest rates.
- Intense growth in the priority strategic medium-sized and large enterprise segments, characterised by higher-quality risk and its notable contribution to earnings through the generation of income, fees and commissions, and other recurring income.
- Balance of the loan book to boost profitability.
- Reducing dependence on wholesale markets for funding the business by seeking balanced growth in retail funds.
- Diversification of wholesale funding sources, from the viewpoint of both instruments and markets, maintaining a balanced maturity profile.
- Optimisation of retail financing costs, maintaining a balance between returns on loans and market interest rates, ensuring its stability and avoiding excessive concentration of maturities.
- Use of a risk diversification policy to avoid excessive concentration levels that might translate into difficulties for the Institution.
- Contribution to the sustainable development of society, including the preservation of environmental resources.
- Limitation of business in sensitive sectors that could entail a risk for the Entity's sustainability or have a negative impact on its reputation and/or honourability
- Moderate appetite for interest rate risk.
- Maintenance of a very low structural foreign currency position (excluding trading activity, which is measured and limited by other means), trending continuously towards zero.
- Reinforced control of the bank's reputational positioning (e.g. good corporate governance, systemic risks).
- Minimisation of exposure to pension obligation risk through the most appropriate mitigating measures (e.g. outsourcing, hedging instruments, diversification).
- Desire to round out the level of services that Bankinter offers its customers, both in private banking and merchant banking, offering limited-risk investment banking services.
- Optimisation of the cost-to-income ratio, considering aggregate costs and revenue.
- Maximisation of shareholder value creation throughout cycles, all underpinned by a strong capital and liquidity base.
- Diversification lines of business by leveraging opportunities in companies in the financial sector that are related or complementary to the core business model.
- Maintaining a Common Equity Tier 1 (CET1) within the fluctuation band set by the Entity, above the regulatory minimum, with a medium-term target of 10%-12%.

The board of directors is ultimately responsible for risk management. It approves the risk strategy and, in particular, defines the risk appetite framework.

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The public health crisis and lending activity in 2021

2021 was marked by the continuation of the public health and economic crisis caused by the COVID 19 pandemic, and the subsequent gradual economic recovery. The effects of the crisis were asymmetrical, hitting activity in some sectors particularly hard, such as hotels, leisure and transport.

Governments extended measures during the year to provide the necessary support for viable businesses, mainly through extensions of the moratoriums and public guarantees initiated in 2020.

Bankinter has remained proactive in implementing the support measures introduced in 2020 and the new legislative developments and extensions introduced in 2021. Figures at the end of the reporting period for these extraordinary measures (moratoriums and state guarantees) were as follows.

Official bodies, particularly the Banco de España (Spanish National Central Bank), repeatedly upgraded their economic forecasts from the end of 2020 through to the third quarter of 2021. This trend slowed somewhat in the final quarter of 2021 as a result of supply shortage, higher energy prices and the spread of new variants of the virus. Therefore, there is still considerable uncertainty about the recovery trend.

The economic recovery and the extension of public support played a decisive role in keeping unpaid and doubtful balances at very low levels throughout the year. How these develop in future will depend in particular on the effectiveness of the economic recovery and the rate at which support measures are withdrawn. The sectors most affected by the crisis - and the households that work in them - remain highly vulnerable, because of the hit to their income and financial positions.

The significant increase in debt levels in public administrations makes the Spanish economy particularly vulnerable to any worsening in financing conditions.

Bankinter's risk management has been preparing for the vulnerabilities that could lead to deterioration of the loan book, although these have been less severe than was expected at the beginning of the crisis. The bank has adequate cover against such eventualities as a result of the extraordinary provisions made in 2020. Extensive additional information on this can be found in the "Impact of the health crisis" section of Note 46 to the Consolidated Legal Report.

Legislative and non-legislative moratoria

	Gross carrying amount, thousands of euros				Distribution by phases		
	Number of borrowers	Total	Legislative moratoriums	Unexpired moratoriums	1	2	3
Households	1,589,890	765,606	11,148	80.7%	16.5%	2.8%	
Collateralised by residential immovable property	1,460,992	730,043	10,159	81.3%	16.9%	1.8%	
Non-financial corporations	461,763	461,199	23,006	81.5%	7.4%	11.0%	
Small- and medium-sized enterprises	356,587	356,023	12,577	88.7%	9.6%	1.7%	
Collateralised by commercial immovable property	202,971	202,874	18,886	70.5%	7.1%	22.4%	
Total loans and advances	22,257	2,068,190	1,243,342	34,153	81.0%	14.3%	4.7%

Newly originated loans and advances subject to public guarantee schemes in the context of the COVID-19 crisis

	Number of obligors	Gross carrying amount, thousands of euros	Distribution by phases		
			1	2	3
Households		67,792	99.0%	0.0%	1.0%
Non-financial corporations		6,424,919	93.3%	5.4%	1.3%
Total loans and advances	31,073	6,523,733	93.4%	5.3%	1.3%



****More detailed information on these risks can be found in the Prudential Relevance Report, the group's Consolidated Legal Report and the Annual Corporate Governance Report. In 2021 Bankinter made significant progress in managing the climate change risk of its loan book. This is fully explained in the corresponding chapter.***

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Climate change risk

Measure, manage and reduce the impact of climate change risks



In line with supervisory expectations, Bankinter is actively working to measure, manage and reduce the impact of climate change on its loan book. It has drawn up four lines of work on this front: Identification and measurement, assessment, action and monitoring.

1) Identification and measurement

The starting point is to identify and measure climate risks.

At present, information is scarce and there are few measurements. A lot of the data we have to work with is estimates and speculation. The bank is, therefore, continuously complementing this information with more rigorous and detailed information as the state of knowledge develops.

The bank works from three perspectives:

1.a. Measurement of the emissions financed

Bankinter uses the PCAF methodology to calculate the emissions it is financing. This methodology is frequently used by other financial institutions.

This methodology enables assignment of estimated emission levels to companies when individualised emissions are not available for them. The following information is used for this:

- The emissions of each sector: annual data from the National Statistics Institute (INE)

- The revenue of each customer and percentage "share" of the total sector, based on turnover and output data by areas of activity published by the National Statistics Institute.
- The ratio of bank debt to total balance-sheet liabilities for each customer.
- The percentage indebtedness of each customer with Bankinter compared to the total, using CIRBE data.

The emissions for each customer are estimated as follows: The emissions observed or attributed to the customer because of their sector of activity, weighted by the percentage of bank financing in their liabilities, multiplied by the share of that debt with Bankinter.

We can obtain the estimated emissions financed for each sector of activity by adding up the estimated emissions financed for each customer.

This analysis shows that Bankinter finances 0.7% of direct national emissions and 0.8% of the carbon footprint, with a volume of 67 tonnes. and 74 tonnes of CO₂ equivalent in terms of direct emissions and carbon footprint, respectively, for each million euros drawn. In total, the emissions financed by Bankinter in the company portfolio in Spain using this PCAF methodology amount to 1.8 million tonnes of CO₂ with investment of 27,051 million.

The comparison below shows the distribution of loans to companies by Bankinter and the sector, direct emissions and carbon footprint. This shows that the most polluting sectors have lower weight in Bankinter's portfolio.

As we can see, Bankinter's exposure to the most polluting activities and those with the highest density of emissions in the final products is very low, even excluding financing activities.

This better starting point for Bankinter's loan book in the face of climate change risks is explained by a number of factors:

- Lower weight of more polluting sectors, such as agriculture and refining.
- Investment in energy production sectors has already been decarbonised, due to the significant weight of renewable energies.
- The mortgage portfolio is mainly located in urban areas, with lower probability of events resulting from climate change.

The Bank's board of directors keeps a careful eye on these metrics.

Industry	Distribution of lending		Direct emissions ¹	Carbon footprint ²
	Bankinter	System		
Agriculture, livestock, hunting, forestry and fishing	2.1%	4.5%	182%	130%
Extractive industries	0.3%	0.4%	144%	101%
Manufacture of transport material	2.0%	1.1%	10%	29%
Chemical industry	1.5%	1.2%	115%	69%
Food, beverages and tobacco	3.9%	4.7%	27%	60%
Oil refining industries	0.3%	0.5%	818%	252%
Metallurgy and manufacture of machinery	4.1%	4.3%	34%	37%
Other manufacturing industries	3.1%	3.2%	28%	32%
Glass, ceramics and construction materials	1.0%	0.9%	540%	264%
Production and distribution of energy, gas and water	3.8%	5.2%	160%	115%
Real estate activities	20.5%	16.1%	1%	4%
Ad hoc buildings and works	2.6%	2.3%	6%	25%
Construction and finishing of buildings and works	1.4%	1.4%	6%	25%
Public works	0.9%	1.4%	6%	25%
Preparation of works	0.2%	0.3%	6%	25%
Transport and storage	8.6%	7.9%	90%	87%
Trade and repairs	16.3%	16.9%	3%	11%
Accommodation and food service activities	6.5%	6.9%	4%	16%
Other services	21.1%	20.7%	2%	7%
Bankinter			32.1%	30.9%
System			39.5%	35.7%

¹ Relative to the gross added value of the sector (kt/€M)

² Relative to net final demand for attributed imports (kt/€MM)

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1.b. Climate rating, legal entities portfolio.

In October 2021, Bankinter introduced a rating tool for predisposition to climate change risk for all companies. This climate rating measures the customer's propensity to be affected by physical and transition risks. This considers variables related to the company's activity, the geographical location of its headquarters and factories; and its turnover and credit quality measured through internal ratings.

This system enables ranking of the portfolio from lowest to highest sensitivity to risks related to the climate and the environment. Specific policies can then be developed for the most vulnerable segments. The rating provides complementary information on the potential physical risks to which the activity could be exposed, as well as the eligible branches under the European Taxonomy.

The distribution of the loan book with financial and non-financial companies resident in Spain at 31 December 2021 is shown below, with a scale of five levels based on sensitivity to climate factors:

As we can see, 82% of the exposure (risk drawn down plus committed) is concentrated in the two best rating levels. Only 2% is in the riskiest rating level, which contains the most polluting activities.

This climate rating is already in use in the bank's admission systems.

Risk group	Amount committed (€mn)		Physical risks				Release of carbon	Transition (potentially sustainable)
			Temp.	Wind	Water	Land		
Very low	21,108	52%	2%	2%	3%	2%	1%	38%
Ground floor	12,365	30%	27%	18%	27%	27%	3%	63%
Medium	3,257	8%	17%	14%	18%	18%	6%	49%
Advanced	3,107	8%	30%	21%	30%	22%	20%	50%
Very high	922	2%	13%	7%	13%	11%	80%	61%
Total	40,758	100%	13%	10%	14%	12%	5%	48%

1.c. Measurement of climate change risk in the loan book for individuals.

Most of the loan book for individuals relates to mortgages. Bankinter is, therefore, making progress in measuring how climate change can affect mortgaged properties.

It has joined a project with other banks to capture information to measure these risks, through an appraisal company.

This measurement will be based on the Energy Efficiency Certificates (CEE) of the portfolio of mortgaged properties. These CEEs are currently being obtained from Autonomous Community registries.

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2. Assessment

Assessing climate and environmental risks poses a real challenge for financial institutions, for several reasons.

Firstly, this is because of the characteristics of the potential impact of physical factors, especially those of a chronic nature whose effects manifest themselves gradually over the very long term. This is not just a question of evaluating the bank's capacity to withstand a transitory shock, but of being able to adapt to a new reality if international commitments to reduce emissions are not fulfilled.

All analysis must be supported by verified information. But while it is often taken for granted that the available data is both sufficient and reliable, the truth is that reliable information is still scarce and estimates have to be used about which there may be significant uncertainty.

Climate risk assessments are new exercises. This means that certain capacities need to be developed internally and that commonly accepted methodological approaches must be agreed so that they can serve as a reference.

Despite these difficulties, we need to make progress in assessing risks related to the climate and the environment. The group has decided to adopt an eclectic approach, developing the three types of methodologies set out by the EBA in the "EBA Report on management and supervision of ESG risks for credit institutions and investment firms" in parallel:

- Portfolio alignment: Development against objectives
- Sensitivity analysis: Impact of potential events and materialisation of adverse scenarios
- Exposure method: assessment of individual exposures to climate risks

2.1 Portfolio alignment

As mentioned in the previous section, Bankinter is developing a methodology for measuring the emissions it finances. This is important for setting decarbonisation objectives, as set out in the next section, and also enables identification of concentrations of direct and indirect emissions by branches of activity, which is essential for sensitivity analysis. Although this involves identifying emissions at the counterparty level for the various scopes (direct, through energy consumption and indirect) the problem is how these overlap. This means we also need to work with the concept of the "carbon footprint". This is the concentration of emissions in the final products of an industry, including all of the emissions involved in their production, and the intermediate products and services that contribute to their added value.

There is a shortage of individualised information on direct emissions. This is even more pronounced in the case of indirect emissions. This is an important issue to which we need to adapt. Bankinter has a diversified portfolio with exposure to large numbers of small- and medium-sized enterprises that are not currently required to disclose such information. The adaptation required, therefore, consists of having the capacity to obtain individualised estimates from official statistics for atmospheric emissions by sectors of activity. This estimation exercise also serves as a check when companies do provide such information.

Financial institutions, as facilitators of credit, can make a contribution to the transformation to a sustainable economy, but they do not have the capacity to lead that change. This means that the group's decarbonisation objectives cannot be divorced from fulfilment of the general objectives at both the national and European levels. The monitoring of the group's portfolio must, therefore, be framed within the general path of emission reductions.

Assessing climate and environmental risks poses a real challenge for financial institutions

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2.2 Sensitivity analysis

This analysis is essential for incorporating climate risks into the regular self-assessments of capital adequacy and, therefore, the entity's solvency. It also includes stress testing.

The European Central Bank is committed to promoting this type of analysis. It has, therefore, organised a climate stress test exercise for the first half of 2022, the results of which will be published in July. This is a very ambitious project whose results will have to be treated with great caution as it is an initial exercise being performed on the basis of limited information and untested methodological underpinnings. However, this has promoted the development of internal approaches to the assessment of climate risks.

For many participating entities, this exercise just involves providing information by branch of activity on margins, the emissions of the largest customers and energy efficiency certificates for the properties held as collateral. In addition to this exercise, Bankinter is developing its own sensitivity analyses based on the following criteria:

- **Alignment with the scenarios and projections offered by the NGFS.** This is a collaborative group of central banks, supervisors and other observers that is creating a framework for analysing climate risks by defining a small number of significant scenarios, each of which is characterised by long-term projections of multiple variables, drilling down to the country level. This provides the entities with a common language and methodological framework, offering consistency in their assessments. Significant progress was made in the second phase, which was published in June 2021.

- **Asymmetry of effects in different sectors.** The transmission of shocks (such as the one associated with the "Delayed transition" scenario in the NGFS projections) to exposures must consider the asymmetry of effects on different branches of activity considering the carbon footprints of the final products, which involves an upwards spread of emissions through value chains. This is particularly true for transition risks. However, downwards propagation of the effects must also be considered, so that the difficulties of a sector are also transferred to suppliers even if they do not add emissions to the final product. In other words, we cannot assume that the effects of such shocks will not spread, to a greater or lesser extent, to all productive sectors, in an economy where activities are so interrelated. A myopic view of the problem can lead us to underestimate the effects.
- **Managing very long-term effects today.** The scenarios involving a lack of action to reduce emissions are characterised by incremental and, in turn, irreversible effects on economic growth derived from the effects of rising temperatures. These will become significant over the very long term. Financial institutions have been adapting their exposures to this changing reality. We only need to think of the transformations that have taken place in relation to technology, delocalisation and distribution models over recent decades, for example. The entities adapt to the developing nature of demand for solvent credit, resulting in loan books rotating to assimilate these changes. This makes it difficult to determine, for example, what additional capital requirements will result from potential impacts that might arise over the next 50 years. But not taking action against the chronic and irreversible effects of rising temperatures will probably lead to lower growth and greater volatility, as a result of greater exposure to acute physical risks. Under these conditions, there could be greater exposure to financial risks that would lead to increased capital requirements if such scenarios were to materialise.

2.3 Exposure method

The exposure method entails understanding the risks to which customers are exposed and how they are mitigating, or plan to mitigate, them. This approach is essential for developing an inclusive decarbonisation strategy, as will be explained in the next point.

This climate rating system has been implemented to Corporate Banking in Spain and Portugal. This rating acts as a classification tool with the main objective of preventing potential climate risks for particular customers, focusing the dialogue with them by:

- Helping us understand their actual exposure in their activities.
- Encouraging transformation projects, through provision of the necessary financial support.

In other words, this method is essential for improving our understanding of climate risks and incorporating them into decision-making, and as an instrument for developing sustainable financing.

3. Action

3.1 Inclusion of climate change risk in the credit risk approval process.

The climate rating has been incorporated into the admission process to focus the dialogue with customers, especially with regard to the highest risks. This incorporates factors related to the climate and the environment into decision-making. It was decided to start this process with customers whose transition risk indicator is high or very high.

This group represents approximately 10% of the portfolio. In such cases, the relationship manager starts a conversation with the customer with two objectives:

- To find out how they think climate change may be affecting their activities.
- To understand their plans to reduce such effects, the investments planned for this, and the possibility of Bankinter helping by providing financing for these investments, as appropriate.

The information from this dialogue is included in the proposal for the risk being studied and is discussed in the corresponding risk committee.

To help in this process, the climate rating is automatically included in the minutes of committee meetings. Fields have also been included in proposals for the customer's rating with space to include the information from this customer dialogue.

3.2 - Business strategy

Bankinter is in the final phase of developing a business strategy consistent with these commitments. This is based on four pillars:

1. Sustainability policy
2. Scenario analysis – prospective vision
3. Decarbonisation strategy
4. Sustainable financing

In this section we look at how far we have got with these pillars of our strategy.

3.2.1. Sustainability policy.

Bankinter has been managing sustainability proactively for more than a decade, through its successive sustainability policies and their strategic plans.

In March 2021, the board of directors approved an update to the sustainability policy, which sets out corporate-wide guidelines for Bankinter Group to integrate responsible management values and principles into its activity, so it can contribute to the prosperity of society and sustainable development. This version of the policy includes new trends such as management of the impact of biodiversity, cybersecurity and a human rights policy, and includes the Evo and Avant Money subsidiaries in the scope.

Following the approval of this policy, a new strategic sustainability plan was drawn up for the 2021-23 period. This is known as "3D", as it addresses management of the three dimensions of sustainability: environmental, social and governance (ESG). This plan contains 20 strategic lines based on more than 50 programmes, contributing, mainly, to achieving 12 of the 17 sustainable development goals (SDGs) in the United Nations Agenda 2030, as verified by certification firm EQA (European Quality Assurance) in an independent report.

The environmental dimension of this Plan includes the Bankinter Group's Climate Change Strategy, which was launched in 2019. Although the financial sector is not carbon intensive, financial institutions have an important role to play in the transition to a low-carbon economy. Bankinter's environmental responsibility is not so much about managing the direct impact of its activity on the environment as about identifying and managing the indirect impact of implementing its financing and investment policies. The climate change strategy has four main pillars:

- Governance, establishing the policies and commitments needed to facilitate Bankinter's contribution to a low-carbon economy, helping key sectors transition to a more sustainable economic model.
- Managing climate change risks, both physical and transitional, integrating them into the management model and considering them in all decision-making.
- Identification of new business opportunities: relating to sustainable products and services that contribute to the transition to a decarbonised economy.
- Involving stakeholders as participants in a collective commitment to fighting climate change.

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The sustainability committee is the executive body responsible for ensuring effective implementation of the Sustainability Plan. With the bank's chairman at its helm, the committee is made up of the managers of the areas that are key to the integration of ESG criteria into decision-making throughout the value chain. The Board's appointments, sustainability and corporate governance committee is responsible for overseeing the performance of the group's ESG indicators.

Bankinter is signed up to the main international sustainability and climate change initiatives and commitments, such as: the UN Global Compact, the Equator Principles, UNEPFI (United Nations Environment Programme Finance Initiative), the Principles for Responsible Banking and, more recently, the Net Zero Banking Alliance. Through the Net Zero Banking Alliance, signatory banks are committed to their lending and loan books having net-zero emissions by 2050, setting an intermediate target for 2030.

3.2.2 Scenario analysis

The incorporation of climate factors into the business strategy requires development of capacities to assess their effects in the long and very long term. This involves great uncertainty that cannot be determined, due to the lack of empirical evidence and because action against climate change requires global agreements that are difficult to reach. The best tool in this situation is scenario analysis, as recommended by the European Banking Authority in its "EBA Report on management and supervision of ESG risk for credit institutions and investment firms". The business strategy must be developed using a baseline scenario - currently Net Zero 2050 as per the NGFS definition and projections - as a benchmark. This also involves evaluating the strength of the entity and its strategy under the hypothesis that plausible alternative scenarios become reality, especially those where action in response to climate challenge is delayed ("disordely" in the NGFS terminology).

3.2.3. Decarbonisation strategy.

The bank is geared to developing a policy that facilitates the transition to a sustainable economy with lower greenhouse gas emissions. It is committed to the Paris commitments and the voluntarily accepted Net Zero Banking Alliance commitments, which require progressive adaptation paths over the long term. The bank must, therefore, analyse the degree to which its portfolio is aligned with these commitments.

This decarbonisation path is an important part of the business strategy for fighting climate change. It must include long-term objectives for reducing the emissions financed. This involves applying the following approaches in our activities:

- Banks have a responsibility to help finance the transition to a sustainable economy, as facilitators of credit. Fostering this process requires incentives and certainties about the technology to be pursued that are outside the scope of the financial sector. The group's decarbonisation, therefore, depends in large part on national objectives being met.
- Bankinter is clearly committed to an inclusive strategy and to avoiding policies of abandonment for certain sectors that could obtain finance through other channels. A core objective is to help customers transform and adapt to a lower emission economy that is environmentally friendly.

In the first quarter of 2022, the bank will study a proposed Decarbonisation Strategy for the corporate loan book. This includes a decarbonisation path with annual objectives and two milestones, in 2025 and 2030, in accordance with the National Energy and Climate Plan and the decarbonisation commitments in the Paris Agreements. It also features an ongoing monitoring plan for fulfilment.

3.2.4. Sustainable businesses

One of the four pillars on which the business strategy against climate change must be based is development of sustainable financing products that help customers adapt to a lower emission economy. Bankinter aims to do this in an inclusive way.

The main Bankinter products that incorporate distinctive sustainability attributes are described in the "Commitments to sustainable development" chapter. These include the financing of renewable energies, issuance of green bonds, sustainable investment funds and green mortgages.



Extensive additional information on sustainable products is provided in the "Commitments to sustainable development" chapter.

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3.2.5. Adaptation to EU taxonomy.

Within the framework of European Union sustainability initiatives, Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment was published in 2020. This is known as the Taxonomy Regulation.

It has subsequently been supplemented by additional regulations. This Regulation requires companies required to publish non-financial information under Directive 2013/34/EU to include information on how and to what extent their activities are considered environmentally sustainable under the technical criteria set out in the Regulation.

In the case of financial institutions, this requirement involves publishing a number of ratios and indicators, using a defined methodology and templates to detail the extent to which various assets and items contribute to the European Union's sustainability objectives under the Taxonomy's technical criteria.

The main indicator that must be published is the Green Asset Ratio (GAR), which covers most of the bank's assets and determines the degree to which they are aligned with these criteria. However, given the complexity of the calculations and the degree of maturity of the information needed for reporting purposes, the regulation allows a two-year transition period for publication. During this period, entities must report their eligibility ratio, which measures the percentage of their assets associated with economic activities included in the Taxonomy, without assessing compliance with the technical alignment criteria.

Contextual information to support the quantitative indicators, including the scope of assets and activities covered by the KPIs, information on data sources and their limitations

Applying its interpretation of the applicable legislation and using its best endeavours, Bankinter has implemented the developments needed to meet the Taxonomy's disclosure requirements for ratios and information, which are listed below:

- The proportion of assets associated with eligible and non-eligible economic activities under the Taxonomy.
- The proportion of exposure to central government, central banks and supranational issuers in total assets.
- The proportion of derivatives in total assets.
- The proportion of total assets represented by exposure to entities not subject to the obligation to publish non-financial information under Directive 2013/34/EU.
- The proportion of exposures in the trading book and interbank call loans in total assets.

Some exposures are excluded from the calculation of the main ratio of eligible exposures, in accordance with the regulation:

- Exposures to central banks.
- Exposures associated with sovereign issuers.
- The held-for-trading portfolio.

The regulation also establishes that some exposures cannot be considered to be aligned with the Taxonomy in any case, from which it is interpreted that they cannot

be considered eligible either. These exposures have been eliminated from the numerator of Bankinter's eligibility ratio:

- Derivatives.
- Exposures to companies not required to publish non-financial information under Directive 2013/34/EU.
- Interbank call loans.
- Cash and other assets linked to cash.
- Other assets.

Under the technical criteria associated with the Taxonomy Regulation, the "eligibility" concept is mainly associated with the description of a series of economic activities that are considered to contribute to two of the European Union's environmental objectives: mitigation of, and adaptation to, climate change.

Bankinter's analysis to determine eligibility is mainly based on the internal information available on customers, counterparties and underlying investments. This will be subject to future development as the available information develops and the competent authorities promote best practices.

The European Commission published questions and answers about the Taxonomy reporting obligations in December 2021 and February 2022, urging entities to obtain information from counterparties to determine the extent to which their activities could be considered eligible under the regulation. Due to existing limitations on non-financial information, Bankinter performed a best effort exercise to determine the extent to which its assets are associated with eligible activities through the methodology described, based on internal information and understanding of the Taxonomy.

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Taxonomy ratios

The results for each of the ratios required are as follows:

Ratio	%	€ (million)
Ratio of eligible assets	55.33%	43,961
Ratio of ineligible assets	44.66%	35,482
Exposure to central governments, central banks and supranational issuers	10.74%	8,529
Exposure to derivatives	0.21%	170
Exposure to companies not required to file non-financial information under Directive 2013/34/EU	23.00%	18,273
Interbank loans	0.54%	429

The following were considered in calculating the eligibility ratio:

- In the numerator:
 - The loan book for companies with economic purposes defined as eligible (14,339 million)
 - The fixed income and equities portfolio with economic purposes defined as eligible (443 million)
 - The bank's mortgage portfolio (29,179 million)
- In the denominator, total assets: 79,443 million, the sum of:
 - a. Financial assets at amortised cost: 76.285 Mn
 - b. Financial assets at fair value through other comprehensive income: 2.751 Mn
 - d. Joint ventures and associates: 170 Mn
 - e. Financial assets. Designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss: 131 Mn
 - f. Real estate guarantees obtained by credit institutions by taking possession in exchange for debt cancellation: 106 million

Methodological considerations for calculation of the eligibility ratio

As certain exposures are only excluded from the numerator under the provisions of the regulation, the eligibility ratio can never reach 100% of the assets covered.

Additionally, in accordance with Bankinter's understanding and the best effort approach applied, some methodological considerations must be taken into account to understand the results:

- Exposures associated with financial companies, with the exception of insurance activity, are not included in the numerator of the eligibility ratio. This is because reliable information on their degree of eligibility is not available, due to the publication schedule for their annual financial statements, and because their activity is not expressly listed as eligible in the Taxonomy Regulation.

- Exposures associated with the households category, including all loans secured by real estate, as these may be aligned with the Taxonomy depending on their energy efficiency levels.

As explained in section 3.2. of this chapter, Bankinter's climate change risk strategy is based on 4 pillars (sustainability, scenario analysis, decarbonisation strategy, and development of sustainable financing products).

This strategy is consistent with the growth of sustainable financing and, therefore, with progressive improvement of the eligibility ratios and, potentially, the sustainability of our balance sheet. This alignment is particularly evident in aspects such as:

- measurement of climate risk in investment, through the climate rating, which includes an indicator of potential sustainability, and which encourages dialogue with our customers to understand the climate change risk and opportunities in each financing operation.
- the decarbonisation strategy, which sets a path for reducing the emissions financed by Bankinter, taking the Integrated National Energy and Climate Plan (PNIEC) and the Paris Agreement as benchmarks.
- development of specific sustainable financing products. Bankinter's large portfolio of renewable energy projects is particularly significant. Bankinter has been developing sustainable financing products related to: energy efficiency (financing owners' associations through BKCF); home purchases with energy efficiency certificates (green mortgages); and savings products that invest in projects that respect the environment.

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4. Monitoring

Another line of work involves definition of indicators to monitor the management and development of climate risk in the loan book. These KPIs, for both natural and legal persons, will be available to the bank's staff for monitoring and will be related to:

- Climate rating for legal persons.
- Financed emissions (estimates or actual data) for legal persons.
- Energy efficiency certificates for individuals.
- Estimates of physical risks for the mortgage portfolio.
- Indicators related to the decarbonisation strategy.
- Indicators related to the European Taxonomy.

The information for senior management and the Entity's board is gradually being enriched to ensure monitoring with a sharp focus on these climate risks.

Senior management and the board of directors monitor and focus sharply on climate change risks



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Emerging risks

Identification, measurement and management of material risks



Measures to prevent and manage them

Bankinter has a systematic process for identifying, measuring and managing all the material risks that affect its activity. The results of this are reflected in our risk map, which is regularly reported to the risk committee and the board of directors.

Emerging risks in the medium term are identified in the standard strategy, planning, and business and risk management processes.

Under the S&P methodology, emerging risks are those that:

- Are new, emerging, or increasing significantly in importance.
- Have potential impact over the long-term (more than 3-5 years), although their effects may already have begun.
- Have significant potential impact.
- They are external risks, which occur outside the entity and its scope of influence (such as natural, geopolitical and macroeconomic factors).
- Their impact on the company (not only on the industry) is specified.

Bankinter uses the priorities published annually by the European Central Bank as the main reference for identifying these emerging risks, selecting those that may be significant for it. These are described briefly below:

Likely increase in non-performing loans: This financial risk is not new. In fact, it is the main risk in banking activity (credit risk). The COVID-19 pandemic has increased this considerably in some sectors, and its effects are likely to spread in the medium term depending on how economies develop. These risks and their potential impact are described in detail in Note 44, Risk Management, to the Consolidated Annual Legal Report.

Risks of shocks to interest rates and credit spreads: This is a current macroeconomic risk that looks set to continue in the medium and long term. The unprecedented monetary and fiscal measures introduced in response to the economic effects of the COVID-19 pandemic, though necessary, have significantly accentuated monetary imbalances in almost all economies. The European Central Bank has highlighted a significant risk deriving from the increase in public and private debt and its sustainability in a context of lower structural growth. This generates uncertainty about the future that all financial institutions must address, especially those in countries with large macroeconomic imbalances, such as Spain.

As in previous years, Bankinter is preparing for this risk by maintaining adequate capital levels and a prudent risk profile (as demonstrated by the risk appetite framework discussed above), by monitoring its risk tolerances and limits very closely, and by actively managing the sources of market risk and its liquidity profile, as well as the quality of its assets and capital levels. This is discussed in more detail in Note 44 to the Consolidated Annual Report and in the Prudential Relevance Report. As a result, Bankinter is currently among the Spanish and European banks with the lowest levels of supplementary capital requirements under the European Central Bank's supervisory process (SREP). This is because Bankinter's risk profile has remained unchanged compared to previous years. This is supported by the stress tests performed by the European Banking Authority (EBA), in which Bankinter was the Spanish bank that suffered the least impact, and the third lowest impact in Europe, in the stressed scenario.

Technology and disruption risks to business models:

Disruptive technological changes are prompting the appearance of new economic agents that are capturing customer relationships and are increasingly emerging as new competitors in certain classic banking business areas, such as payments and collections and business financing.

In response to this risk, Bankinter is continuing its digital transformation policy and the application of technology to the banking business. These are both areas where it has always enjoyed a leading position. Bankinter has pioneered the implementation of alternatives to the branch network as customer relationship channels in Spain, such as telephone, Internet and mobile-phone banking and transactions. This makes the bank one of the players with the most accumulated experience in multichannel strategies. This is a major asset for defending and enhancing our customer relationships.

Significant progress was made in the digitalisation of internal processes in 2021. In customer services, the Popcoin robo-advisor has been further developed and the Capital Advisor (a free digitalised portfolio advisory service) and new digital signature services for companies have been launched. Evo Banco, Bankinter's digital bank, has launched a 100% digital banking portability service to facilitate changing banks. It has also refreshed its investment platform towards a boutique of more than 200 leading funds. It received half of its calls with virtual assistance through artificial intelligence. It has the second highest level of customer loyalty (90% permanence) of any Spanish entity.

Bankinter is a benchmark in the sector in the field of digitalisation, where its long experience has been endorsed by customers. 95% of active customers who contact the entity do so using their phone, PC or tablet to interact with the bank, either exclusively or in combination with other channels. 94% of non-mortgage loans and 78% of investment fund subscriptions were digital in 2021. This demonstrates the degree of development and robust implementation achieved by this strategy.

Climate risk: This natural risk has all the characteristics of an emerging risk and is receiving special attention from supervisors and institutions. This is addressed extensively in a specific chapter ("Climate change risk management") of this report.

Bankinter is continuing to make progress in its digital transformation and the application of technology to its banking business

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Cyber risk and the risk of cyberattacks: The European Central Bank has highlighted how the continuous digitalisation of financial services has increased these risks through technological acceleration and organised cybercrime. It notes how interconnections between parties inside and outside the financial system and the outsourcing of services have been intensifying and will continue to do so, increasing the risks of operating incidents. Cybercrime is a growing threat, with the variety and number of attacks on institutions, their customers and their employees constantly increasing. The spread of remote working has intensified these trends.

Information security is a great priority at Bankinter. The projects committed to in the Security Master Plan were implemented in 2021. The objective is to guarantee high levels of confidentiality, integrity and availability for customers, employees, shareholders and suppliers.

The growing importance of information security highlights the rapid expansion of cybercrime, the activities of which have evolved and become much more dangerous. Initially it involved the actions of individual hackers, who were not only motivated by money. Nowadays, cybercrime has created large and sophisticated business structures that are capable of attacking entire economic sectors.

The theft of confidential big data from companies, the denial-of-service attacks and phishing (using the identity of companies or public bodies in order to obtain confidential information from the victim), access to Swift or ransomware, are the main strategies used by cybercriminals.

Financial institutions are particularly exposed to this kind of manipulation and fraud as a result of their permanent contact with the public and the nature of their business, part of which involves payment systems. But the financial sector has intensified its focus and investment to address this. Bankinter pays the utmost attention to these risks, with detailed, ongoing monitoring and management in accordance with the recommendations in the European Banking Authority's GL 2019/04 on information technologies and security risk management. Bankinter has ISO 27001 certification for Data Security and ISO 22301 certification for Business Continuity Management.

The model for the fight against cybercriminals is based around three lines of defence: the first line is technology, business, operations, etc.; the second line comprises risk control and regulatory compliance bodies; and the third line is the Internal Audit department.

From an organisational viewpoint, a new model was implemented in the first line in 2018 within the Data Security Department consisting of three management areas: technological risk, cybersecurity and security monitoring, and prevention of electronic fraud. This was bolstered in 2021 with new management to enhance continuity and response to incidents.

In this new enhanced structure, Bankinter undertook a set of projects with a higher level of maturity in 2020 with the main focus on the areas of greatest threat. We have to monitor our assets and ensure security within the supply chain to guarantee these business processes work correctly.

In 2021, Bankinter decided to change the name of the Information Security area to Digital Security, establishing a new 3-year Master Plan.

The activity of the area is completed by the development of awareness plans for users, who are the weakest link in the security chain. The bank provides online training programmes for employees and simulates attempts to obtain confidential information (passwords, personal details, etc.) through emails, text messages (smishing) and telephone calls (vishing), escape rooms, etc. The aim is to discover their reaction in situations that can be exploited by cybercriminals. The awareness-raising exercise includes external staff.

One of the key objectives is to continue the deployment and improvement of an adaptive security system, with five benefits: improved experience (customers will not have to sign for many transactions), improved security following the implementation of the know your customer process, an image of innovation in the field of cybersecurity (leaders in a complete system), regulatory compliance (PSD2 directive) and cost savings (reduction of SMS and other processes).

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Reputational risk

Proactivity in identifying and controlling risks



Reputational risk is the risk arising when the expectations of stakeholders (e.g. customers, shareholders, employees, investors) are not met and their reaction can adversely affect existing or new business relationships with them.

They are unique because they depend on external assessments and can originate from a wide variety of sources, including other risks. This is particularly important against a backdrop characterised by immediate and easy access to communication.

The reputational risk management model involves preventing such risks, identifying and controlling them proactively to reduce their probability of occurrence and mitigate their impact. The bank has various tools at its disposal for this:

- Regular measurement of the perception and expectations of the main stakeholders (through customer satisfaction, internal climate, perception and customer and non-customer surveys using RepTrak® methodology, analyst ratings, etc.).
- Monitoring and analysis of mentions of the entity in conventional and social media, in addition to active listening to gauge trends in the market and environment.
- Assessment of reputational risk before marketing a product, outsourcing a service or partnering with a third party.

- Reputational risk map, with a series of KPIs, impact and control metrics, including the main ones in the risk appetite framework and the internal reporting system.
- Crisis management protocol to preserve reputation and business continuity.
- Employee training and awareness-raising within the bank to reinforce a preventive culture.
- Monitoring and analysis of mentions of the entity in conventional and social media, in addition to active listening to gauge trends in the market and environment.
- Crisis management protocol to preserve reputation and business continuity.

Throughout 2021, the bank made progress in updating the repertoire of reputational risk events and developing a global reputational risk exposure indicator.

Non-financial risk management

Bankinter Group has implemented processes for identifying and controlling non-financial risks throughout its value chain and, more specifically, in the issues and topics related to the environment, internal and external social matters, human rights, fighting corruption, the supplier chain and customers.

Integration of ESG risks into decision-making



Environmental risks

Bankinter Group has environmental management systems in place to identify, control and mitigate the direct environmental risks of its business. It also has policies (Environment Policy, Sustainability Policy) and internal committees (sustainability committee, management systems committee) that serve as the framework for these risks and their control.

As regards indirect environmental aspects, a climate change strategy has been established to identify short-, medium- and long-term risks and set objectives for their progressive mitigation over a range of time horizons. This strategy follows the recommendations of the most important international initiatives, such as the TCFD (Task Force on Climate-Related Financial Disclosure). As explained in the Climate Change Risk Management chapter, Bankinter is working actively to align itself with guidelines and regulations related to the impact climate change will have on the loan books of financial institutions. This involves four lines of work: identification and measurement, assessment, action, and monitoring.

Bankinter has also established ESG (environmental, social and governance) criteria in its Risk Framework Agreement, as well as financing policies with non-financial criteria for certain sectors considered to be of particularly significant environmental and social impact.



This information is provided in greater detail in the chapters on management of climate change risks, management of sustainability, environmental matters, and commitments to sustainable development.

Social risks

With regard to internal social matters, Bankinter group has policies (such as its sustainability, human rights, diversity and accessibility policies), procedures and training plans to ensure a well trained workforce (in work practices and current regulations and those that might emerge in the short and medium term), with the possibility of continuous development and guaranteed equal opportunities, diversity and respect for the rights of employees.



This information is provided in greater detail in the chapters on social and staff-related matters and on human rights.

In relation to external social matters, Bankinter has implemented mechanisms to facilitate dialogue with its stakeholders to identify their needs and expectations and manage the possible short-, medium- and long-term risks proactively, ensuring an adequate response. It also has a strategy and policies in place to ensure that its partnerships with the third sector generate high-value projects within the framework of the defined social action lines.



Further details can be found in the chapters on Sustainability management, Social and personnel issues, Human rights and Commitment to sustainable development.

Human rights risks

Bankinter Group has implemented general human rights policies setting out its commitment to respecting, supporting and protecting human rights as part of its business activity and relations with its stakeholders in the environment in which it operates (employees, customers, suppliers and other commercial partners) under the UN motto: 'Protect, respect and remedy'.

Accordingly, as part of the supplier approval process, the bank requires suppliers to commit to protecting human rights while carrying out their business.

In line with these principles, Bankinter's financial and investment analyses include the obligation not to finance transactions that may result in violations of human rights.

The bank has identified and assessed the human rights risks in relation to its main stakeholders.



More information on this aspect may be found in the chapter on human rights.

Bankinter Group has implemented mechanisms to facilitate dialogue with its stakeholders to identify their needs and expectations and manage possible short-, medium- and long-term risks proactively, ensuring an adequate response.

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Corruption risks

Bankinter Group has implemented strict systems and policies to guarantee regulatory compliance and prevent corruption and money laundering in relation to its main stakeholders, identifying the possible short-, medium- and long-term risks and establishing policies and procedures to mitigate them, such as the codes of ethics and anti-corruption and anti-money laundering policies.

To demonstrate its zero-tolerance policy towards crime, the bank has adopted all measures necessary to convey this commitment and the obligation to prevent, detect and prosecute crime in all its forms and to the full extent at all levels of the bank's structure.



More information on this aspect may be found in the chapters on fighting corruption and on human rights.

Other risks related to stakeholders

As part of its value chain, Bankinter Group analyses the possible short-, medium- and long-term risks that exist or may arise from its relations with customers, suppliers and society in general.

For example, there are channels of dialogue with these groups, managed by different areas that have established their own policies and procedures to monitor, control and mitigate the possible situations that may lead to risks for Group companies. Most notable among these measures are the codes of ethics implemented for employees and suppliers, the work carried out in the Quality Area and Customer Service Area, continuous monitoring of the corporate reputation, and even the relationship with third-sector organisations.



This information is provided in greater detail in the chapters on sustainability management, quality, the customer service area and commitments to sustainable development.

As part of its value chain, Bankinter Group analyses the possible short-, medium- and long-term risks that exist or may arise from its relations with customers, suppliers and society in general.

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Sustainability management

The 3D Sustainability Plan

Bankinter's sustainability strategy is based on the multi-year 3D Sustainability Plan for responsible management of the three business dimensions (economy, society and the environment) to generate threefold impact in the countries where the group operates.

This plan is based on the Sustainability Policy, which was approved by the board of directors in March 2021, which aims to contribute to sustainable, inclusive and healthy development, based on the bank's three strategic pillars (quality, innovation and technology). The Sustainability Policy is supplemented by the bank's other internal policies.

The appointments, sustainability and corporate governance committee is responsible for reviewing the sustainability policy, monitoring the sustainability strategy and overseeing the group's ESG (Environmental, Social and Governance) indicators. It monitors dialogue with stakeholders and ESG risk assessments, and ensures public disclosure of non-financial and diversity information.

The sustainability committee is the executive body responsible for ensuring the correct implementation of the plan. With the bank's chairman at its helm, the committee is made up of the managers of the areas that are key to the integration of ESG criteria into decision-making throughout the bank's value chain.

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 and the Spanish National Securities Market Commission (CNMV in Spanish) 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 2021-2023 3D Plan includes 20 strategic economic/governance, social and environmental lines.

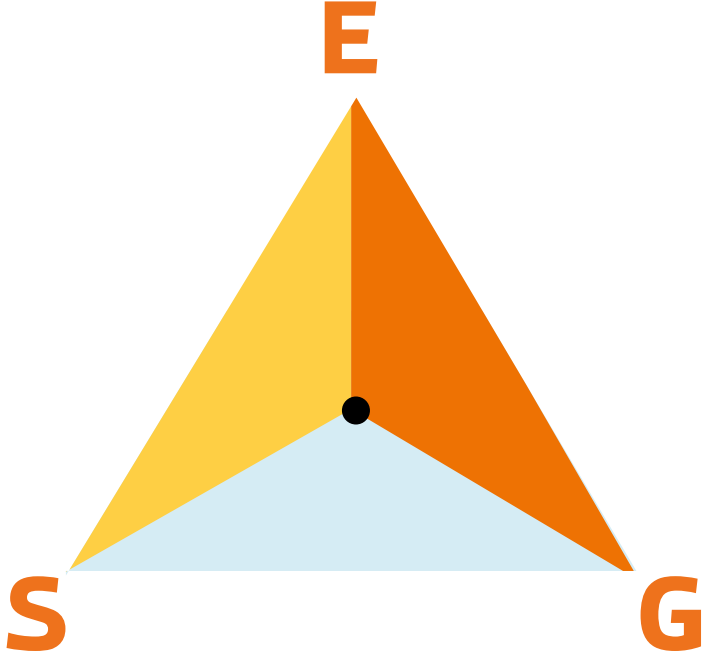


Climate commitment
 Climate change opportunities
 Climate change risks
 Stakeholder involvement
 Environmental footprint
 Biodiversity



Financial inclusion
 Human rights
 Advanced employee management
 Innovation Foundation
 Volunteering
 Citizenship

Corporate governance
 Responsible business practices
 Sustainable finance
 Non-financial risks
 Stakeholder engagement
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In 2021, Bankinter was listed in the most prestigious sustainability indices, such as the Dow Jones Sustainability Index World, which recognises it as one of the twenty-five most sustainable banks in the world, and the Dow Jones Sustainability Index Europe, which recognises it as one of the five best in Europe.

The bank is also listed in other leading sustainability indices (FTSE4Good, MSCI and CDP), and has now been included in the ESG Euronext Vigeo Eiris Eurozone 120 Index for the first time. It has also been highlighted in the 2022 Sustainability Yearbook prepared by the analysts 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.

The bank has implemented a management system that facilitates reporting on over 150 primary indicators included in the dashboard, to make it easier to monitor the development of the Sustainability Plan's lines of action and the degree to which their objectives have been achieved.

The bank also establishes an annual sustainability training plan. This includes objectives such as training the workforce in the application of human rights in business and providing employees with specific qualifications in key areas (such as risk and asset management) in relation to the understanding and application of ESG criteria in financing and investment decisions.

The bank performs regular significance studies that enable it to improve the effectiveness of its engagement channels for social agents and detail the priority issues

Stakeholder engagement

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.

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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 Director of Committee
Customers	Quality surveys Customer Service area External ombudsman Spanish National Central Bank Multichannel banking	Director of Quality Director of Legal Counsel
Regulatory bodies (Spanish National Central Bank, CNMV, ECB)	Circulars	Director of Regulatory Compliance Relations with supervisors
Employees	Meetings with workers' representatives Global surveys Assessment Whistleblowing channel. Queries mailbox Intranet	Director of People management Director of Audit Director of Quality Director of Internal communication Director of Committee
Suppliers	Procurement portal Follow-up meetings Questionnaires	Director of Efficiency and Transformation Director of Committee
Partners Universities and business schools	Meetings Forums Workshops	Director of Foundation Head of Communication and CSR
Third (voluntary) sector	Social engagement mailbox Meetings	Director of Committee
Media	Press conferences Press releases Social media Press room External mailbox	Director of Communication and corporate social responsibility
Society (others not previously included)	Social media Corporate website RepTrak survey	Director of Communication and corporate social responsibility Director of Reputation

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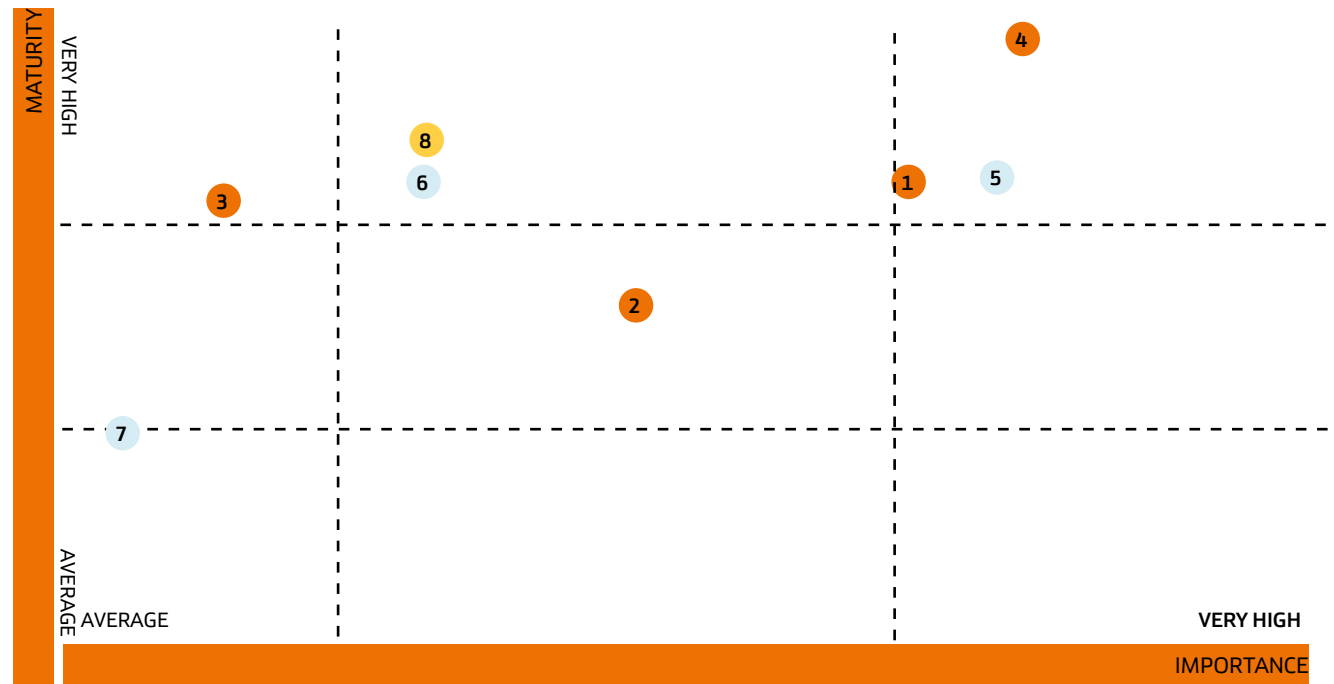
Materiality analysis

Bankinter has performed materiality analysis as part of the design process for the 3D 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

The maturity of aspects related to financial activity was also taken into account, in accordance with leading analysts.

The matrix below shows the aspects considered of medium, high and very high importance by stakeholders, and the degree of maturity shown by the bank in managing these aspects. In addition, the related topics within each of these major aspects have been ordered by their importance for stakeholders.



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)

*Actions to combat food waste are not material in Bankinter Group.

Matters related to customer relationship management

Provide a quality service focused on customer satisfaction

Establish a transparent and balanced business relationship

Guarantee the privacy of personal data.

Offer multichannel financial services: physical branch, telephone banking and online banking

Offer accessible physical and digital channels

Matters related to business strategy

Apply innovation in new technologies, products and marketing systems.

Implement policies and procedures to ensure information security.

Include environmental, social and good governance aspects in the business model and corporate strategy.

Design and market sustainable products with added social and/or environmental value.

Include the analysis of social and environmental risks in investment and financing operations.

Market sustainable investment products.

Matters related to corporate governance

Control and management of non-financial risks (environmental, social and good governance) in operations, purchases and investments.

Functions and composition of the board of directors (balanced, diverse, qualified, etc.).

Transparency in the remuneration of the board of directors.

Ethics related matters

Implement internal mechanisms to prevent corruption and money laundering.

Adopt a public commitment to comply with human rights and include risk management for violation of these rights in the group's activities and the activities of third parties in their relations with the group.

Exclude any products and services linked to controversial activities from our portfolio.

Implement internal mechanisms to ensure compliance with the code of conduct and access to whistleblowing channels for employees, customers, suppliers, etc.

Implement regulatory compliance programmes.

Provide transparent information on tax strategy in the countries in which we operate.

Issues related to people management

Job creation and stability.

Working environment

Professional development opportunities.

Equal opportunities.

Health and safety management.

Attracting and retaining talent.

Work-life balance measures.

Corporate aid and benefits.

Provision of training.

Aspects of community relations

Promote dialogue with the communities in which the bank operates and support social investment.

Identify and manage the value generated in the community from social contributions, including impacts and achievements.

Develop a corporate volunteering programme.

Supply chain issues

Include environmental, social and governance criteria in the supplier approval process.

Implement a responsible procurement policy.

Implement a code of conduct for suppliers and mechanisms to monitor compliance with it.

Matters related to the climate change and natural capital strategy

Manage resources (energy, water, materials) efficiently.

Implement a climate change and biodiversity strategy.

Introduce circular economy measures: reduction, reuse and recycling in resource management.

Manage the carbon footprint (management of direct, indirect and induced CO2 emissions).

Involve stakeholders in the climate change strategy.

Manage the impact of financial activity on natural capital.

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Relevant sustainability indicators*

Dimension	Material aspect	Indicator	2021	2020(1)	Change	Objectives 2022	SDGs	Scope
Economic	Customer relationship management	NPS customer recommendation index (%)	42.5	41.5	2.4%	>42.5	8	Bankinter
	Corporate governance/People management	% women on the board of directors	45.5	36.4	25.1%	45.5	8/10	Bankinter group
	Ethics	% workforce trained in code of ethics	100	100	-	100	8/10	Bankinter group
	Supply chain management	suppliers evaluated under ESG criteria as a % of the total approved	90.4	62.2	45.3%	95	8	Bankinter
	Relations with the community	Corporate reputation index - RepTrak	62.6	60.4	3.6%	62.6	8	Bankinter
	Sustainable business strategy	% eligible activities in the portfolio according to the Taxonomy ⁽²⁾	55.3	-	-	Incorporate new taxonomy goals	13	Bankinter group
Social	People management	% women in executive posts	30.5	33.2	-8.3%	30.5	8/10	Bankinter group
		Employee satisfaction index ⁽³⁾	-	87	-	>80	8	Bankinter
		NSS internal quality index	49.0	48.2	1.7%	>40	4/8	Bankinter
		No. training hours/employee	53	59	-9.7%	55	4/8/10	Bankinter group
	People/customer management	% workforce covered by collective bargaining agreements ⁽⁴⁾	100	100	-	100	8/10	Bankinter group
		% m ² certified as universal accessibility	6.90	6.70	3.0%	7	10	Bankinter
Relations with the community	Social contribution according to LGB methodology (€mn)	3.1	3.7	-16.8%	3.2	10/17	Bankinter group	
	Number of beneficiaries of financial education programmes	11,018	12,996	-15.2%	11,500	4/8/10	Bankinter group	
Environmental	Climate change and natural capital strategy	% m ² certified in Environmental Management	34.0	31.2	9.0%	34.5	13	Bankinter
		Tn CO ₂ /employee (Scope I and II)	0.25	0.36	-30.6%	0.24	13	Bankinter group
		Carbon neutrality in operating activity ⁽⁵⁾	YES	YES	-	YES	13	Bankinter group
		Energy consumption (Gj/employee)	17.3	15.4	12.8%	17.00	13	Bankinter group
		Green electricity consumption (% of total)	99.7	87.0	14.6%	100%	13	Bankinter group
		Paper consumption (Tn/employee)	0.05	0.04	25.0%	<0.05	13	Bankinter group

(1) The 2020 figures included the Línea Directa Aseguradora Group, which left the consolidation scope of Bankinter Group in 2021.

(2) This indicator was reported for the first time in 2021.

(3) The Opina survey is performed every two years. The Sensor survey is performed in alternate years for a sample of the workforce, although the data is not comparable.

(4) Avant Money in Ireland recognises the right of employees to join a union, although there is no compulsory recognition of unions in Ireland and therefore it does not need to recognise or negotiate with a union.

(5) Scope 1 and 2 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.

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Environmental matters

**A strategy
for operating
in the most
environmentally
friendly way**

Bankinter maintains a firm commitment to address its environmental management by assuming the challenge and responsibility to operate in the most environmentally-friendly way, taking the necessary measures to mitigate its direct and indirect environmental impact, taking a precautionary approach. It analyses the main environmental risks throughout its value chain, both its own direct risk (the bank premises where its employees work) and the indirect risks deriving from its financial activity. It manages all of these risks in accordance with the principles of prevention and involving all stakeholders.

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 principles of this Policy and ensuring its commitment to protecting the environment.

The environmental dimension of the 3D Sustainability Plan includes six strategic lines. The Climate Change Strategy, which is divided into four main lines with short-, medium- and long-term objectives for risks and opportunities. Management of the bank's environmental footprint, through the environmental management system and calculation of the carbon footprint (through which the direct and indirect environmental impacts of the bank activities are identified, measured and managed). A new development in this Strategic Plan is the biodiversity line, which aims to put the bank in the vanguard of methodologies for measuring and managing the impact of the financial sector on biodiversity.

Environmental criteria are considered 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 that 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 the most important, including the energy, agriculture, mining and defence sectors.

The Policy for integrating sustainability risks into investment and advisory decisions was defined in 2021, together with the declaration of the main adverse incidents on sustainability, to meet the requirements of the Disclosure Regulation for information on sustainability in the financial services sector.

The bank is working with leading bodies that assess and rate environmental performance, such as the CDP, which Bankinter has been a signatory of since its launch and to which it reports annual information on its carbon footprint and its management of climate change risks and opportunities.

Bankinter is also a signatory of the United Nations Environment Programme sector initiative (UNEPFI) and the Principles for Responsible Banking. This is a framework for sustainable banking activity in line with the SDGs and the 2030 Agenda. In 2021, the bank joined the Net Zero Banking Alliance, the main objective of which is to achieve emissions neutrality by 2050, with intermediate decarbonisation objectives to 2030.

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Both EVO and Avant Money manage the environmental dimension through energy efficiency, rationalised consumption of resources, waste management and the acquisition of environmentally-friendly products and technologies. They also encourage their professionals and customers to use electronic channels and digital correspondence.

The Bankinter Group saw no need in the year to set aside provisions for any environmental risks and liabilities, as there were no contingencies linked to environmental protection and improvement, and no penalties or fines were imposed on the Bankinter Group for its environmental management. The group also did not incur any expenses or receive subsidies related to such risks. The group's directors consider that any environmental risks that may arise from its operations are minimal and adequately covered, although it is working actively on managing the climate change risks associated with its financial activity (further information is available in the Risk management chapter of this report).

In 2021, the bank joined the Net Zero Banking Alliance, the main objective of which is to achieve emissions neutrality by 2050, with intermediate decarbonisation objectives to 2030



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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 to improve its environmental performance with the areas of the bank that are most directly involved (e.g. Risks, Investment Banking, Asset Management and Products).

bankinter.

If we say it, we do it
Bankinter combats the climate crisis

We may be one of the world's most sustainable banks.

But we want more.
Continue progressing.
Even faster.

That's the only way to make real change wherever it is needed

If we say it, we do it

What have we decided to do?

01. Lead and share

We want to lead the transition towards a sustainable economy and share the achievements with our stakeholders

02. Integrate

We want to integrate climate crisis risk management in our business model



03. Market

We want to market positive-impact financial products and services geared towards a low-carbon economic model

04. Involve

We want to involve our stakeholders in every measure of our collective action plan

Engagement

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

Management

Include climate change risks in the management model. Develop an accounting system that includes the entity's environmental aspects 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.

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In relation to the objectives set for the year:

- Bankinter has been carbon neutral in Scopes 1 and 2 since mid-2020.
- 100% of the electricity consumed in the bank's facilities in Spain and Portugal at the end of the year came from renewable sources.
- Significant progress has been made in implementing the TCFD (Task Force on Climate-Related Financial Disclosure) recommendations.
- A number of policies that include ESG criteria are in place.
- Membership of the main international initiatives, notably the Net Zero Banking Alliance, which the bank joined in 2021, with the goal of achieving carbon neutrality by 2050.
- A climate rating tool has been implemented for business with companies.
- The bank's exposure to climate change risks was analysed for corporate banking.
- An initial estimate has been made of the total emissions financed by the bank in the corporate banking sector in Spain.
- Progress has been made in identifying climate change emissions and risks in the mortgage portfolio.
- New sustainable products have been marketed, such as the "Efficient Home" mortgage (green mortgage) and the sustainable portfolios of the Popcoin digital robo-advisor.

- The CO₂ emissions that have been avoided through projects arising from the issuance of green bonds by the bank have been calculated. In total, 267,628 tn CO₂ have been avoided.

Looking ahead to 2022, Bankinter is developing a roadmap for the decarbonisation of its portfolios with targets for 2025 and 2030, in line with the objectives in the PNIEC (National Integrated Energy and Climate Plan), the commitments made when joining the Net Zero Banking Alliance, regulatory requirements and climate stress tests.

The definition of this strategy involved analysing the recommendations of the Financial Stability Board and the Task Force on Climate-related Financial Disclosures (TCFD), which indicate that financial institutions need to manage climate change risks and opportunities over the short, medium and long term.

Bankinter has undertaken to including the TCFD recommendations in its business model and has drawn up a roadmap for this. A sustainable finances work group was also created to address future EU regulatory requirements.

EVO is fully aligned with the main corporate ethics, good governance and responsible management policies, including the Climate Change Strategy. Avant Money has already incorporated some of the group's good practices, such as purchasing energy from renewable sources and participation in the launch of sustainable products.

Looking ahead to 2022, Bankinter is developing a roadmap for decarbonisation of its portfolios, with targets for 2025 and 2030, in line with the PNIEC targets



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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"> Inclusion 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 performance of the strategy by the sustainability committee, the appointments, sustainability and corporate governance committee and the board. The Statement of Non-Financial Information, 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. Main 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. Membership of the Net Zero Banking Alliance with the goal of carbon neutrality in 2050. Working group to establish a decarbonisation roadmap for the bank's portfolio with intermediate targets for 2030. Initial attempt to identify activities aligned with the taxonomy for objectives of adaptation to, and mitigation of, climate change. 	<ul style="list-style-type: none"> Development of the opportunities identified: new products and sustainable services Analysis of the Science Based Targets initiative for the financial sector Approval and presentation of the decarbonisation roadmap for the bank's portfolios, in line with the PNIEC and the objectives of the Net-Zero Banking Alliance.
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 climate rating tool and its incorporation into the risk admission process. Initial analysis of climate risks in the mortgage portfolio. Regular meetings of the Sustainable Finance working group. Development of the opportunities identified: new products and sustainable services 	<ul style="list-style-type: none"> Development of processes to manage climate-related risks. Analysis of the monitoring of operations with high or very high climate ratings. Extension of sector policies to other industries. Development of the opportunities identified: increase of assets in the range of sustainable products.
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 estimate of the number of tonnes financed by the corporate banking area. Calculation of emissions avoided through the launch of Green Bonds. 	<ul style="list-style-type: none"> Adoption of standard methodology to calculate all Scope 3 emissions Disclose the achievement of targets to stakeholders.

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Carbon footprint

Bankinter has been calculating its overall carbon footprint since 2009 in the three emission scopes: 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 2021, 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 2020) with the Carbon Footprint Registry of the Ministry of Ecological Transition and the Demographic Challenge, being awarded the I calculate + I reduce stamp.

Since mid-2020, Bankinter has been carbon neutral for Scope 1 and 2 emissions in its activity in Spain, Portugal and Luxembourg. All 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.

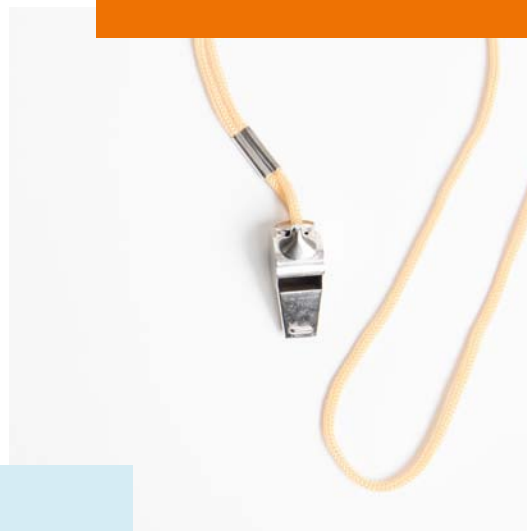
All of the electricity consumed (Scope 2) in Bankinter's facilities has been green energy with guarantees of origin since mid-2018 in Spain and since July 2020 in Portugal, and more recently in Avant Money. This explains the significant decrease in figures for Scope 2 emissions over recent years.

The special situation caused by the COVID-19 pandemic in 2020 and 2021 influenced trends in the emissions indicators as buildings and offices were not fully occupied and a large part of the workforce was working remotely during this period, with the resulting influence on emissions from employee travel, for example.

As a new development in the calculation of the 2021 carbon footprint, a new field has been included for Scope 3 emissions, based on the publication of the "Corporate Value Chain (Scope 3) Accounting and Reporting Standard" GHG Protocol, by estimating emissions from accounting entries.

The bank has made an initial estimate of the emissions financed by its corporate banking business in Spain. Work will be done in 2022 on estimating emissions from the mortgage portfolio, to build a complete initial Scope 3 calculation of our financial activity (refer to the climate change risk management chapter for more information)

Since mid-2020, Bankinter has been carbon neutral for Scope 1 and 2 emissions at its premises in Spain, Portugal and Luxembourg.



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CO ₂ emissions Scope 1 (Tn) *	TOTAL Bankinter Group		
	2021	2020	Change
Gas/Diesel/Air conditioning gases	1,547.28	1,852.88	-16.5%
Total/employee	0.25	0.21	17.9%

* OECC emission factors, carbon footprint registry, offset and carbon dioxide absorption projects (Version 17 - April 2021)

*Its total 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.

CO ₂ emissions Scope 3 (Tn) *	TOTAL Bankinter Group		
	2021	2020	Change
Business travel	1,429.33	1,239.36	15.3%
Business trips	5,442.63	5,921.69	-8.1%
Water	13.64	17.74	-23.1%
Paper	254.36	317.00	-19.8%
Toner	39.85	44.79	-11.0%
Waste	5.03	4.79	5.0%
Computer equipment	827.74	879.15	-5.8%
Furniture	65.28	65.28	0.0%
Customer electricity consumption	768.20	1,051.89	-27.0%
Cleaning products	5.24	6.39	-18.0%
Maintenance travel	20.69	11.84	74.7%
Purchases of goods and services	1,897.89	3,164.40	-40.0%
Total	10,769.86	12,724.31	-15.4%
Total/employee	1.75	1.47	19.5%

* OECC emission factors, carbon footprint registry, offset and carbon dioxide absorption projects (Version 17 - April 2021)/SIMAPRO (Ecoinvent System Processes)

* IT equipment, furniture and cleaning products: estimates taking into account the purchase of these materials. Customer electricity consumption: estimate taking into account registered connections of customers to Bankinter's website, the average duration of these and the average consumption of a computer.

* Purchases of goods and services: financial data has been taken as source data using the emission factors from the NAMEA (National Accounting Matrix (NAM) and Environmental Accounts (EA)) Methodology.

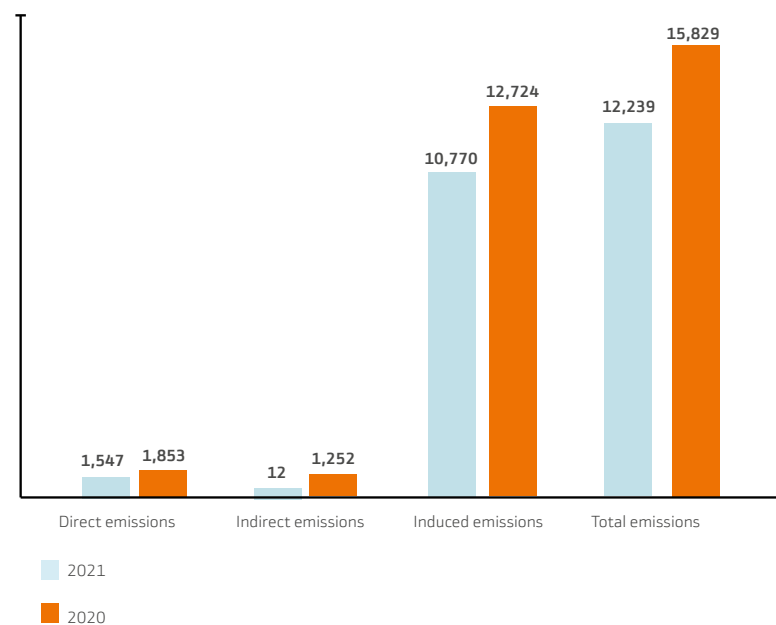
Total emissions	TOTAL Bankinter Group		
	2021	2020	Change
Total emissions	12,328.98	15,829.02	-22.1%
Total Scope 1 and 2/Employee	0.25	0.36	-29.1%
Total/employee	2.01	1.83	10.0%

CO ₂ emissions Scope 2 (Tn) *	TOTAL Bankinter Group		
	2021	2020	Change
Electricity	11.84	1,251.82	-99.1%
Total/employee	0.002	0.14	-98.7%

* EDP Portugal 2021 emission factor

*All indirect emissions in 2021 were 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.

Emissions (T CO₂)



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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 the necessary measures to optimise the consumption of supplies and materials. This translates into a reduction in our carbon footprint. This means minimising consumption and hence our carbon footprint.

Trends in the indicators in 2020 and 2021 were influenced by the special situation caused by the COVID-19 pandemic, as the buildings and offices were not fully occupied during some of the period.

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.). As previously mentioned, 100% of the electricity consumed at the bank's facilities in Spain and Portugal already comes from renewable energy sources.

Bankinter acquires paper according to strict environmental criteria. It is 100% recycled (in Spain) 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 2021, customer information campaigns were continued to replace paper statements with the web correspondence model.

Water consumption for sanitary uses is controlled through monitoring using the Environmental Management System indicators. Devices are gradually being implemented to reduce consumption in certified buildings.

Environmental management at EVO and Avant Money is based on the principles of minimising environmental impacts, through careful management of consumption of energy and materials, energy being supplied from renewable sources, and management of all waste produced in their premises.

The change in energy consumption compared to 2020 was deeply affected by 2020 (and to a lesser extent 2021) being a very special year due to the pandemic. As previously mentioned, these 2020 figures include information about the Línea Directa Group, which left the scope in 2021.

Energy consumption (GJ) *	TOTAL Bankinter Group		
	2021	2020	Change
Electricity	90,624.24	109,700.66	-17.4%
Diesel	4,156.77	4,966.44	-16.3%
Natural gas	11,505.83	18,442.6	-37.6%
Total	106,286.84	133,109.7	-20.2%
Total/employee	17.32	15.36	12.7%

* 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.

Increase in water consumption (m ³) *	TOTAL Bankinter Group		
	2021	2020	Change
Total	42,490.43	55,253.37	-23.1%
Total/employee	6.92	6.37	8.6%

* 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) *	TOTAL Bankinter Group		
	2021	2020	Change
Total	323.62	378.02	-14.4%
% recycled A4 and A3	94%	87%	7.7%
Total/employee	0.05	0.04	20.9%

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

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Notable measures in 2021 included ongoing replacement of LED lights, sourcing of green energy, environmental communications to the workforce and the reduction goals set for the year, calling on all employees to help us achieve them.

In relation to energy consumption outside the organisation, the electricity consumption of customers connecting to the bank's websites and making video calls is estimated to be 11,062 GJ (12,216 GJ in 2020), travel to work is estimated to consume 79,855 GJ (84,045 GJ in 2020), and company travel is estimated at 20,894GJ (17,822 GJ in 2020).

Measures were implemented in 2021 to continue reducing paper consumption through implementation of digital channels. This technological and cultural change will have a gradual effect on the organisation's environmental management, improving the monitoring ratios for paper consumption indicators.

Checks are performed on water in all facilities to detect any issues or leaks, and communications are sent to raise awareness about water consumption.

Waste management

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 described in this section.

Waste consisting of confidential paper and toner is managed by authorised managers, which certify that 100% of this type of waste is reused. Confidential paper is reused for paper pulp and generating recycled paper. Toner cartridges are reused with new ink.

In the case of electronic equipment, the authorised managers certify that this waste is duly processed, prioritising management transactions and exceeding the recyclability indexes in the current sector plans and programmes. According to current legislation on waste electrical and electronic equipment (WEEE), as of 2018 and depending on the categories of waste, the percentages required for recovery are between 75% and 80% and for recycling between 55% and 80%, depending on the type of materials.

With regard to waste management, there are waste collection centres at each plant and office. These are clearly labelled so that all personnel can separate organic waste, paper waste and containers.

The circular economy measures introduced by the group are those mentioned above regarding the requirements to reuse and recycle waste, and to use recycled materials (paper for office purposes, furniture in the sustainable building at Alcobendas, etc.).

Other improvements have also been carried out, such as the replacement of plastic cups with eco-friendly cardboard ones, the elimination of plastic cutlery in the cafes, the supply of glass bottles to employees to reduce the consumption of plastic bottles, availability of recycled plastic bottles in vending machines, etc.

Bankinter also donated more than 250 computers to various NGOs. These computers were prepared (information wiped) by a group of volunteers from the Systems department.

Awareness-raising sessions were also held in the three main Bankinter buildings in Madrid with the Prodis Foundation. Professionals with disabilities from this Foundation told the employees in these buildings about the importance of recycling and management and segregation of waste, raising awareness of the richness that diversity and the inclusion of people with intellectual disabilities brings to the whole of society.

Waste management (Kg)	TOTAL Bankinter Group		
	2021	2020	Change
Confidential paper	171,647	147,954	16%
Toner	2,413	2,133	13.1%
Electronic equipment	10,910	19,564	-44.2%

* The increase in the management of confidential paper was due to various changes in department locations within the group.

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Environmental management system.

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 main buildings in Madrid (Paseo de la Castellana, Tres Cantos and the two buildings in Alcobendas), the building in Barcelona, the building in Bilbao (added to the scope in 2021) and the sustainable office in Madrid. This means that 46.1% of the bank's workforce is covered by this environmental certification (33.2 % of the floorspace in all of the bank's buildings). The Internal Audit team participated in the annual verification process.

There is also a certified Environmental Management System in Portugal, the scope of which includes the Marqués de Pombal headquarters and the Torre Oriente building, both in Lisbon, and 15 bank branches in the Portuguese capital. This system covers 52% of the workforce (40.8% of the floorspace of all the bank's properties in Portugal).

Mechanisms have been put in place at EVO and Avant Money to optimise consumption of materials and supplies, and ensure effective waste management.

In its annual environmental management programmes, Bankinter Group includes a series of objectives and goals aimed at: optimising consumption and correct waste management; reducing atmospheric emissions; and programming communication, awareness-raising and employee training campaigns on good environmental practices.

The objectives set for Spain for 2021 have been met:

1. The ESG scope has been extended to include Bankinter's headquarters in Bilbao.
2. Continuation of implementation of the Climate Change Strategy, developing new sustainable products and making significant progress in managing climate change risks.
3. Commitment to initiatives to manage the risks and opportunities of climate change and biodiversity, such as the Net Zero Banking Alliance.
4. Environmental communication plan, both internally (intranet) and externally (Bankinter blog)
5. Reduction of 2% in the consumption/employee ratio in the main eco-efficiency indicators (energy consumption, paper consumption and Scope 1 and 2 emissions).

Similar objectives have been set for 2022 (2% reduction in consumption of energy and material per employee compared to the year before the pandemic, communication and training on the environment and sustainability, extension of the scope of the management system, ad hoc reporting on the initiatives the bank has joined and involvement of stakeholders (through environmental volunteering, internal and external communications and climate action initiatives).

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 in 2020.

The objectives set for 2021 for reducing electricity consumption, plastic waste and extending the scope of the management system have been met.

A target of a 0.5% reduction in energy consumption per employee compared to pre-pandemic values has been set for 2022, with a 5% reduction in paper consumption compared to 2021.

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Biodiversity

Bankinter Group's headquarters are in an urban setting, so it has no direct impact on protected natural spaces and/or biodiversity.

However, although the financial sector is not usually identified as having a high impact in terms of biodiversity or climate change, financial institutions have an important role to play in the transition towards an economy with neutral impact on biodiversity. Biodiversity is to be included in the European taxonomy. Bankinter is, therefore, determined to understand the best methodologies and most important trends in this area.

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 facilitating the identification and management of impacts on natural capital. This was a first step by Bankinter in evaluating its portfolio in terms of impacts and dependencies on natural capital. This project provided information on the sectors of the bank's portfolio with the greatest impacts and dependencies on natural capital, and the bank's exposure to these.

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. 84 financial institutions have signed up to this commitment. Three working groups were set up in 2021 among the signatory entities, with Bankinter participating in the group dedicated to measurement and evaluation of biodiversity impacts.

Objectives for 2024

- Collaboration and exchange of knowledge among the signatory entities.
- Incorporation of biodiversity into ESG policies.
- Assessment of the impact of activities on biodiversity.
- Setting of objectives to reduce the impact on biodiversity.
- Annual communication



Influence on stakeholders

The group has various internal and external communication channels for promoting its various social and environmental initiatives, thereby encouraging the engagement of all its stakeholders.

The awareness-raising actions carried out include: the environment website, the sustainability section of the Bankinter blog, funding of green entrepreneurship days, awards for environmental photography among staff and environmental volunteering days. Bankinter is a leading company in the Climate Change Cluster organised by Forética and takes part in and sponsors forums and events on climate change and the environment. The bank also supports the WWF's annual Earth Hour campaign, using its media and social networks to publicise its initiatives that contribute to achieving the SDGs and the transition to a low-carbon economy.

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Individuals

Prevention, proximity and cultural transformation

Health care and concern for maintaining safe working environments continued to be essential in 2021, accentuated by the successive waves of the pandemic, with prevention guidelines and ways of working being adapted to the measures introduced by the authorities.

The HR Strategic Plan continued throughout the year, with a sharp focus on prevention, remaining approachable and consolidating a cultural transformation driven by innovation and digitalisation.

Bankinter's Te Cuida (Bankinter, here to help) programme provided advice on training routines and nutritional plans and was developed to incorporate initiatives to foster emotional well-being, which became more necessary than ever due to "pandemic fatigue".

A number of individual and collective actions were undertaken to improve understanding of people's needs, particularly at key points in their professional and personal lives.

The digital and data culture received a strong boost; talent programmes were scaled up and training was recognised as a tool that adds huge value, both for the business and for the development of people.

A 360° strategic plan transformed by COVID-19

Digital and personal relationship model

Digital relationship: new People Management website
Personal relationship: outreach campaign

Remuneration and merit

Transparency
Adaptation

Talent and culture

Assessment model (feedback)
Training as a key lever
B-Digital
Digital leadership

New organisation

New profiles
New models of working
Organisational efficiencies



Type of contract

	2021			2020		
	Male	Female	Total	Male	Female	Total
Permanent	3,036	3,081	6,117	4,017	4,422	8,439
Temporary	10	11	21	105	124	229
Total	3,046	3,092	6,138	4,122	4,546	8,668

Working day

	2021			2020		
	Male	Female	Total	Male	Female	Total
Full time	3,025	2,766	5,791	3,708	3,383	7,091
Part time	21	326	347	414	1,163	1,577
Total	3,046	3,092	6,138	4,122	4,546	8,668

Breakdown by age and contract type

	2021			2020		
	Permanent	Temporary	Total	Permanent	Temporary	Total
Under 30	267	11	278	464	90	554
From 30 to 39	1,459	1	1,460	2,395	80	2,475
From 40 to 49	2,835	8	2,843	3,806	41	3,847
From 50 to 56	1,071	0	1,071	1,273	13	1,286
Over 56	485	1	486	501	5	506
Total	6,117	21	6,138	8,439	229	8,668

Breakdown by contract type and professional category

	2021			2020		
	Permanent	Temporary	Total	Permanent	Temporary	Total
Managers	151	0	151	202	0	202
Middle managers	1,660	0	1,660	1,764	0	1,764
Commercial/Senior Technicians	1,734	0	1,734	1,875	4	1,879
Commercial/Technicians	2,001	9	2,010	2,767	30	2,797
Staff	571	12	583	1,831	195	2,026
Total	6,117	21	6,138	8,439	229	8,668

2021 distribution by professional category

	Spain		Portugal		Luxembourg		Ireland		Total
	Male	Female	Male	Female	Male	Female	Male	Female	
Managers	96	44	7	2	1	0	1	0	151
Middle managers	817	580	155	88	8	1	9	2	1,660
Commercial/Senior Technicians	799	751	72	61	8	6	22	15	1,734
Commercial/Technicians	653	936	140	225	5	4	22	25	2,010
Staff	166	259	6	16	0	0	59	77	583
Total	2,531	2,570	380	392	22	11	113	119	6,138

2020 distribution by professional category

	Spain		Portugal		Luxembourg		Ireland		Total
	Male	Female	Male	Female	Male	Female	Male	Female	
Managers	126	65	7	2	1	0	1	0	202
Middle managers	881	626	152	86	8	1	9	1	1,764
Commercial/Senior Technicians	898	829	51	55	8	5	19	14	1,879
Commercial/Technicians	1,001	1,354	155	235	4	3	20	25	2,797
Staff	696	1,132	9	20	0	0	76	93	2,026
Total	3,602	4,006	374	398	21	9	125	133	8,668

2021 distribution by age bracket

	Spain		Portugal		Luxembourg		Ireland		Total
	Male	Female	Male	Female	Male	Female	Male	Female	
Under 30	131	104	4	11	1	1	11	15	278
From 30 to 39	573	690	50	84	6	4	29	24	1,460
From 40 to 49	1,110	1,172	219	227	9	5	49	52	2,843
From 50 to 56	416	460	92	64	6	1	17	15	1,071
Over 56	301	144	15	6	0	0	7	13	486
Total	2,531	2,570	380	392	22	11	113	119	6,138

2020 distribution by age bracket

	Spain		Portugal		Luxembourg		Ireland		Total
	Male	Female	Male	Female	Male	Female	Male	Female	
Under 30	236	253	4	10	0	2	23	26	554
From 30 to 39	1,033	1,204	59	107	7	2	32	31	2,475
From 40 to 49	1,509	1,770	234	225	8	5	49	47	3,847
From 50 to 56	514	622	62	50	5	0	16	17	1,286
Over 56	310	157	15	6	1	0	5	12	506
Total	3,602	4,006	374	398	21	9	125	133	8,668

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Distribution by years of service

	2021			2020		
	Male	Female	Total	Male	Female	Total
Up to 5	889	572	1,461	1,527	1,284	2,811
From 6 to 15	1,092	1,291	2,383	1,523	1,877	3,400
From 16 to 25	604	817	1,421	588	1,035	1,623
Over 25	461	412	873	484	350	834
Total	3,046	3,092	6,138	4,122	4,546	8,668

2021 contract type (average)

	Spain		Portugal		Luxembourg		Ireland	
	Male	Female	Male	Female	Male	Female	Male	Female
Permanent	2,493	2,537	374	390	22	11	104	114
Temporary	11	10	0	4	0	0	17	15
Total	2,504	2,547	374	394	22	11	121	129

2020 contract type (average)

	Spain		Portugal		Luxembourg		Ireland	
	Male	Female	Male	Female	Male	Female	Male	Female
Permanent	3,501	3,867	373	395	21	10	92	106
Temporary	94	93	3	4	0	0	26	28
Total	3,595	3,960	376	399	21	10	117	133

2021 contract type (average)

	Spain		Portugal		Luxembourg		Ireland	
	Male	Female	Male	Female	Male	Female	Male	Female
Full time	2,484	2,246	374	394	22	11	121	114
Part time	20	301	0	0	0	0	0	15
Total	2,504	2,547	374	394	22	11	121	129

2020 contract type (average)

	Spain		Portugal		Luxembourg		Ireland	
	Male	Female	Male	Female	Male	Female	Male	Female
Full time	3,191	2,843	376	399	21	10	117	119
Part time	404	1,117	0	0	0	0	0	15
Total	3,595	3,960	376	399	21	10	117	133

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2021 distribution of employees by professional category (average)

	Spain		Portugal		Luxembourg		Ireland	
	Permanent	Temporary	Permanent	Temporary	Permanent	Temporary	Permanent	Temporary
Managers	139	0	9	0	1	0	1	0
Middle managers	1,381	0	241	0	9	0	10	0
Commercial/Senior Technicians	1,525	1	126	0	14	0	34	0
Commercial/Technicians	1,558	12	369	0	9	0	47	0
Staff	427	8	19	4	0	0	126	31
Total	5,030	21	764	4	33	0	218	31

2020 distribution of employees by professional category (average)

	Spain		Portugal		Luxembourg		Ireland	
	Permanent	Temporary	Permanent	Temporary	Permanent	Temporary	Permanent	Temporary
Managers	201	0	8	0	1	0	1	0
Middle managers	1,595	1	235	0	10	0	10	0
Commercial/Senior Technicians	1,719	2	106	0	13	0	28	0
Commercial/Technicians	2,173	20	393	0	6	0	44	0
Staff	1,681	164	26	7	0	0	114	53
Total	7,368	186	769	7	31	0	197	53

2021 distribution of employees by professional category (average)

	Spain		Portugal		Luxembourg		Ireland	
	Full time	Part time	Full time	Part time	Full time	Part time	Full time	Part time
Managers	139	0	9	0	1	0	1	0
Middle managers	1,359	22	241	0	9	0	10	0
Commercial/Senior Technicians	1,434	92	126	0	14	0	35	0
Commercial/Technicians	1,411	159	368	0	9	0	46	1
Staff	388	47	23	0	0	0	144	14
Total	4,731	320	767	0	33	0	236	15

2020 distribution of employees by professional category (average)

	Spain		Portugal		Luxembourg		Ireland	
	Full time	Part time	Full time	Part time	Full time	Part time	Full time	Part time
Managers	201	0	8	0	1	0	1	0
Middle managers	1,566	30	235	0	10	0	10	0
Commercial/Senior Technicians	1,590	131	106	0	13	0	28	0
Commercial/Technicians	1,951	241	393	0	6	0	43	1
Staff	726	1,118	33	0	0	0	154	14
Total	6,034	1,520	775	0	31	0	236	15

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2021 distribution of employees by age and contract (average)

	Spain		Portugal		Luxembourg		Ireland	
	Permanent	Temporary	Permanent	Temporary	Permanent	Temporary	Permanent	Temporary
Under 30	216	9	11	4	3	0	23	17
From 30 to 39	1,338	3	147	0	10	0	52	6
From 40 to 49	2,221	9	452	0	13	0	96	3
From 50 to 56	842	0	133	0	6	0	31	2
Over 56	413	0	21	0	1	0	16	3
Total	5,030	21	764	4	33	0	218	31

2020 distribution of employees by age and contract (average)

	Spain		Portugal		Luxembourg		Ireland	
	Permanent	Temporary	Permanent	Temporary	Permanent	Temporary	Permanent	Temporary
Under 30	441	88	8	6	2	0	18	30
From 30 to 39	2,250	53	170	0	11	0	58	11
From 40 to 49	3,173	33	460	0	13	0	83	5
From 50 to 56	1,067	11	111	0	4	0	26	4
Over 56	437	1	19	0	1	0	13	3
Total	7,368	187	769	7	31	0	197	53

2021 distribution of employees by age and working day (average)

	Spain		Portugal		Luxembourg		Ireland	
	Full time	Part time	Full time	Part time	Full time	Part time	Full time	Part time
Under 30	225	0	14	0	3	0	40	1
From 30 to 39	1,238	103	147	0	10	0	59	0
From 40 to 49	2,038	192	452	0	13	0	94	5
From 50 to 56	821	21	133	0	6	0	30	3
Over 56	409	4	21	0	1	0	13	6
Total	4,731	320	767	0	33	0	236	15

2020 distribution of employees by age and working day (average)

	Spain		Portugal		Luxembourg		Ireland	
	Full time	Part time	Full time	Part time	Full time	Part time	Full time	Part time
Under 30	320	208	14	0	2	0	47	1
From 30 to 39	1,739	564	171	0	11	0	69	0
From 40 to 49	2,597	609	460	0	13	0	81	6
From 50 to 56	965	113	111	0	4	0	27	4
Over 56	413	25	19	0	1	0	12	4
Total	6,034	1,520	775	0	31	0	236	15

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Health and safety

The health crisis caused by the Covid-19 pandemic continued throughout the 2021 financial year. The bank continues to focus on caring for the well-being and health and safety of all Group employees.

The working group formed at the beginning of the pandemic involving all areas of the bank continued to establish appropriate measures for each situation to protect the health of employees from the spread of the virus, including organising an online course about COVID-19 for the entire workforce.

It has continued to train, help and advise employees, while monitoring the situation so it can continue offering services to customers in an appropriate manner.

Employees were provided with surgical masks, screens were installed, disinfectant gel was provided in the facilities, premises were cleaned daily with disinfectant products and protocols were introduced on appropriate use of common areas, work areas and dining rooms, to create safe environments and spaces for the bank's professionals and customers.

The Occupational Risk Prevention area continuously monitored those affected by the virus, answering their questions (what to do, who to contact, how long to be in quarantine) following the recommendations of the Ministry of Health.

Bankinter's Health and Wellbeing programme is continuing to care for all employees, encouraging them to adopt healthy habits through the "Bankinter Te Cuida" (Bankinter, here to help) programme. This programme offers a range of content, tools and expert advice on focused workout routines, nutritional plans, emotional wellness techniques, etc. through the "Bankinter Healthy" digital platform.

Management of the health and safety of employees was also the main issue during 2021 in the rest of the companies and countries in Bankinter group, where the ways of working and the measures implemented have been very consistent with the bank's. The following initiatives were particularly noteworthy:

- Bankinter Portugal implemented a "healthy month", taking a holistic approach to health based on the four basic pillars of physical activity, emotional well-being, rest and nutrition. Each week during the month was dedicated to one of these pillars, with specific challenges and special articles.
- Avant Money is the first company in Ireland to achieve "KeepWell Mark" recertification. This is external accreditation that recognises companies for their excellence in the area of health and well-being.

The "Bankinter Healthy" digital platform continued to offer expert advice and content in areas such as focused workout routines, nutritional plans and emotional wellness.



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Employee relationship model

The main objective of the People Management area was to support the business, responding to its needs and generating added value, while keeping in touch through the programmes launched during the previous year.

During the first half of the year, 258 meetings were held with natural teams (branch offices and central services departments) to share Bankinter products and services. 2,337 employees took part in these.

During the second half of the year, employees who had recently been promoted were contacted for a personalised review of their professional development and to offer them support in their new responsibilities. Special attention was paid to people who might be going through difficult situations due to the pandemic or other events. In total, 742 calls were made.

In 2021, Bankinter Portugal continued its "HR With You" programmes, involving regular visits by the People

Management team to all of the branches and centres in the commercial network to talk to all members of staff individually, and "Bankinter LAB", involving meetings between the country manager, the head of People Management and Communication and employees from a particular business area or segment to discuss specific issues related to their work, the market and the bank.

More than 120 internal communications were sent in EVO to communicate the general situation of the organisation, boost productivity and foster motivation among the workforce.

In response to the challenges of the pandemic, Avant Money conducted an opinion poll to understand employees' concerns and gather feedback on future ways of working.



Refer to the "Dialogue with employees" section for more information.

Training and talent

2021 was again scarred by the impossibility of face-to-face training and development initiatives due to the health situation. The Corporate University, therefore, developed all of its programmes remotely and online, focusing on various strategic areas:

Commercial Excellence School. A range of customer advisory programmes were developed in each of the segments with the twin objectives of complying with the requirements of the European MiFID 2 directive and enhancing employee training. 97% of the people who needed up-to-date certification had this by the end of 2021 in Spain.

Training related to the new Real Estate Credit Law was provided to all members of the commercial network and the areas directly involved in mortgage processes, with the official certification of 97% of the people trained.

98% compliance was achieved for the training requirements under the Insurance Mediation Law for people who sell or report on these products.

Digital culture The Bdigital project to accelerate digital culture implemented numerous initiatives to foster the adoption of efficient habits, such as training through the online platform (8,971 courses), distribution of guides to the main Microsoft Office 365 tools (4,800 people), improvement of communication, collaboration and personal productivity skills through a digital team coaching programme, and promotion of multi-area collaboration.

Digital and agile leadership. 220 people managers were trained during the year in the new demands of digital and agile leadership, with work done on the adoption of digital habits in the management team through a reverse mentoring programme with some of the bank's native digital profiles.

During the first half of the year, 258 meetings were held with teams to share knowledge of Bankinter's products and services. 2,337 employees took part in these.

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More than 287,000 hours of training were delivered in 372 training actions, averaging 57.46 hours each. The satisfaction rate reported by the survey (NPS) was 55% (seven percentage points higher than 2020).

Talent model In 2021, as in other years, the performance of Bank employees was assessed as part of the BKcrece programme, the main objective of which is to help drive their development, measuring their performance and contribution, identifying their strengths and areas of improvement, and providing quality feedback. During the year, 99% of the target staff in Spain received a performance assessment and 98% of personnel managers were subject to a bottom-up assessment.

The second talent and succession review exercise was performed with 694 people from the commercial network. This enables us to understand the type of talent of each person, with talent maps for the roles in each organisation, enabling succession planning for key positions. Ad hoc development actions were implemented after this exercise, including training plans, coaching, mentoring, etc.

Bankinter's talent model has been expanded to include Ireland and a specific model has been developed for the Private Banking area. This has made it possible to identify potential future bankers throughout the commercial network, fostering the development of internal talent.

The STEAM (science, technology, engineering, arts, mathematics) Talent model - another specific model - was also launched in 2020, helping to identify everyone in the bank with these profiles. Progress was made on a training programme for upskilling this entire group depending on the area to which they belong in 2021. Vertical paths have been created for each of the bank's analytical areas with STEAM profiles, with data driven training for basic, intermediate and advanced levels.

Bankinter Portugal has continued to invest in the development of its people, with significant investment in training and promoting talent. This is clearly demonstrated through international EFPA (European Financial Planning Association) certification, with 70% of our commercial network managers now being certified, the only ones in Portugal.

In addition to this international certification, the bank has encouraged its employees to take training in financial analysis of companies and remote work management, in collaboration with specialist providers. All of this training was delivered online and adapted to the current situation.

In EVO, training is delivered through the B Smart training tool as a single universal training approach for the entire organisation, classified into seven schools: mandatory and regulatory training, development training, healthy habits

and well-being, development of customer-relations skills, training related to companies at the institutional level, digital transformation and team management. Our EASY ACADEMY 2.0 initiative increases understanding of the functions of specific areas, ongoing projects and processes among the rest of the company, through sessions led by the employees involved.

The Avant Money training plan focuses on and is committed to developing employees' skills and abilities, and creating learning opportunities. Technical training remains the prime focus, due to the regulatory changes.



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Training

	2021 Group total	2020 Group total
No. of training activities	513	796
People trained	6,184	8,349
Hours of training	327,554	493,416
Training hours per employee	53	59

2021 hours of training by category

	Male	Female	Total
Managers	5,767	3,170	8,937
Middle managers	56,060	38,647	94,707
Commercial/Senior Technicians	54,156	47,823	101,979
Commercial/Technicians	35,480	57,577	93,057
Staff	11,195	17,678	28,874
Total	162,658	164,896	327,554

2021 average training hours by category

	Male	Female	Total
Managers	55	69	59
Middle managers	57	58	57
Commercial/Senior Technicians	60	57	59
Commercial/Technicians	43	48	46
Staff	48	50	50
Total	53	53	53

2020 hours of training by category

	Male	Female	Total
Managers	4,014	1,907	5,921
Middle managers	81,259	51,257	132,516
Commercial/Senior Technicians	68,176	63,842	132,017
Commercial/Technicians	70,043	92,820	162,863
Staff	24,302	35,796	60,098
Total	247,794	245,622	493,416

2020 average training hours by category

	Male	Female	Total
Managers	30	28	29
Middle managers	78	72	76
Commercial/Senior Technicians	71	72	72
Commercial/Technicians	60	58	59
Staff	34	31	32
Total	62	56	59

Performance appraisal

Country	2021			2020		
	No. of appraisals	Period-end headcount	Completion rate	No. of appraisals	Period-end headcount	Completion rate
Spain	4,841	5,101	95%	7,384	7,608	97%
Luxembourg	33	33	100%	30	30	100%
Portugal	756	772	98%	757	772	98%
Ireland	176	232	76%	181	258	70%
Total	5,806	6,138	95%	8,352	8,668	96%

Performance appraisals by gender

	2021					2020				
	Spain	Luxembourg	Portugal	Ireland	Total	Spain	Luxembourg	Portugal	Ireland	Total
Male	2,401	22	371	90	2,884	3,484	21	369	84	3,958
Female	2,440	11	385	86	2,922	3,900	9	388	97	4,394
Total	4,841	33	756	176	5,806	7,384	30	757	181	8,352

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Performance appraisals by professional category

	2021					2020				
	Spain	Luxembourg	Portugal	Ireland	Total	Spain	Luxembourg	Portugal	Ireland	Total
Managers	120	1	7	1	129	174	1	7	1	183
Middle managers	1,365	9	239	9	1,622	1,636	9	235	8	1,888
Commercial/Senior Technicians	1,500	14	129	31	1,674	1,633	13	104	28	1,778
Commercial/Technicians	1,472	9	363	40	1,884	2,107	7	384	37	2,535
Staff	384	0	18	95	497	1,834		27	107	1,968
Total	4,841	33	756	176	5,806	7,384	30	757	181	8,352

Performance appraisals by age

	2021					2020				
	Spain	Luxembourg	Portugal	Ireland	Total	Spain	Luxembourg	Portugal	Ireland	Total
Under 30	192	2	11	11	216	452	2	11	14	479
From 30 to 39	1,200	10	130	36	1,376	2,176	9	162	46	2,393
From 40 to 49	2,194	14	441	86	2,735	3,206	13	454	82	3,755
From 50 to 56	847	7	154	29	1,037	1,106	5	110	26	1,247
Over 56	408	0	20	14	442	444	1	20	13	478
Total	4,841	33	756	176	5,806	7,384	30	757	181	8,352



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Selection

The recovery of the economy and the buoyancy of the labour market in 2021 fostered a return to levels of recruitment activity almost at pre-pandemic levels, although this was mostly online. This activity focused on commercial profiles and, in particular, those needed to continue promoting technology and digitalisation: infrastructure, technological transformation and data science.

University internship programmes were resumed for both financial and STEM profiles, with four invitations published in the spring and autumn, offering 146 internship vacancies. The focus was on attracting recent graduates and young professionals with a clear aptitude for customer service and analytical profiles to nurture technical business and risk analysis areas.

The bank continued to rely on its internal talent as one of the main sources of recruitment, with internal turnover reaching 12% in 2021. This enables employees to take on new challenges, develop professionally and receive continuous training to adapt to new responsibilities, facilitating the spread of knowledge and cultural integration in the case of international mobility (Bankinter Luxembourg and Bankinter Portugal).

Bankinter Portugal's "Portugal First" programme is continuing and currently has 21 Portuguese employees in Spain and Luxembourg, with excellent results.

Selection		
	2021 Group total	2020 Group total
No. of recruitment processes	442	377
No. of candidates	1,681	6,307

Internal rotation		
	2021 Group total	2020 Group total
No. of vacancies	130	137
No. of candidates	381	1,054

2021 Additions			
Country	No. of additions	Period-end headcount	Recruitment rate
Spain	287	5,101	6%
Ireland	25	232	11%
Luxembourg	3	33	9%
Portugal	21	772	3%
Total	336	6,138	5%

2021 Additions			
Gender	No. of additions	Period-end headcount	Recruitment rate
Male	187	3,046	6%
Female	149	3,092	5%
Total	336	6,138	5%

2021 Additions			
Age	No. of additions	Period-end headcount	Recruitment rate
Under 30	119	278	43%
From 30 to 39	134	1,460	9%
From 40 to 49	75	2,843	3%
From 50 to 56	8	1,071	1%
Over 56	0	486	0%
Total	336	6,138	5%

2020 Additions			
Country	No. of additions	Period-end headcount	Recruitment rate
Spain	473	7,608	6%
Ireland	28	258	11%
Luxembourg	3	30	10%
Portugal	20	772	3%
Total	524	8,668	6%

2020 Additions			
Gender	No. of additions	Period-end headcount	Recruitment rate
Male	241	4,122	6%
Female	283	4,546	6%
Total	524	8,668	6%

2020 Additions			
Age	No. of additions	Period-end headcount	Recruitment rate
Under 30	178	554	32%
From 30 to 39	200	2,475	8%
From 40 to 49	114	3,847	3%
From 50 to 56	26	1,286	2%
Over 56	6	506	1%
Total	524	8,668	6%

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2021 Terminations

Country	No. of terminations	Period-end headcount	Turnover rate
Spain	233	5,101	5%
Ireland	51	232	22%
Luxembourg	2	33	6%
Portugal	19	772	2%
Total	305	6,138	5%

2021 Terminations

Gender	No. of terminations	Period-end headcount	Turnover rate
Male	172	3,046	6%
Female	133	3,092	4%
Total	305	6,138	5%

2021 Terminations

Age bracket	No. of terminations	Period-end headcount	Turnover rate
Under 30	61	278	22%
From 30 to 39	100	1,460	7%
From 40 to 49	75	2,843	3%
From 50 to 56	18	1,071	2%
Over 56	51	486	10%
Total	305	6,138	5%

2021 Terminations

Voluntary	No. of terminations	Period-end headcount	Turnover rate
Bankinter group	186	6,138	3%

Dismissals by age

Age	2021	2020
Under 30	2	30
From 30 to 39	16	29
From 40 to 49	21	34
From 50 to 56	5	2
Over 56	2	1
Total	46	96

Dismissals by professional category

Professional category	2021	2020
Managers	6	0
Middle managers	5	7
Commercial/Senior Technicians	14	6
Commercial/Technicians	11	12
Staff	10	71
Total	46	96

Dismissals by Gender

Gender	2021	2020
Male	31	52
Female	15	44
Total	46	96

2020 Terminations

Country	No. of terminations	Period-end headcount	Turnover rate
Spain	342	7,608	4%
Ireland	2	30	7%
Luxembourg	23	772	3%
Portugal	20	258	8%
Total	387	8,668	4%

2020 Terminations

Gender	No. of terminations	Period-end headcount	Turnover rate
Male	193	4,122	5%
Female	194	4,546	4%
Total	387	8,668	4%

2020 Terminations

Age bracket	No. of terminations	Period-end headcount	Turnover rate
Under 30	92	554	17%
From 30 to 39	116	2,475	5%
From 40 to 49	114	3,847	3%
From 50 to 56	15	1,286	1%
Over 56	50	506	10%
Total	387	8,668	4%

2020 Terminations

Voluntary	No. of terminations	Period-end headcount	Turnover rate
Bankinter group	172	8,668	2%

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Corporate benefits

Bankinter offers social benefits beyond the legal requirements that apply to all employees, including training aids for employees and their children, insurance (health, life and accident), monthly salary advances, special terms and conditions for banking products and services, and meal subsidies depending on the schedule and type of working day.

Another benefit offered by the bank is a flexible remuneration system, whereby employees can partially swap their fixed monetary remuneration for certain goods and services (remuneration in kind), such as nursery vouchers, shares, training, pension plan contributions, travels cards and restaurant cards.

This increases employee remuneration in two ways: through the bank's bargaining power to get the best prices possible for the goods and services included in the system; and through the tax advantages offered by certain products arranged through this system. Currently 61% of employees use this flexible remuneration tool.

In Portugal, EVO and Avant Money offer similar benefits for life and health insurance, as well as various types of allowances for things such as training, childcare and disability.

Pension scheme

In long-term remuneration designed to cover certain contingencies, the bank offers the following benefits:

- supplementary cover additional to the benefits paid by Social Security for widowhood, orphanhood, permanent occupational disability, absolute permanent disability and severe disability. These are provided for the entire workforce.
- Coverage of pension commitments for employees in service since before 1 March 1980, as established in the sector collective bargaining agreement.
- Annual contribution of 450 euros to the pension plan of all employees who have more than two years' service in the industry and whose pension commitments are not covered by any other scheme under the provisions of the banking collective bargaining agreement.

Bankinter is also a member of the Employee Family Plan, promoted by the Adecco Foundation. It provides a variety of types of assistance to employees with disabilities and/or family members in a similar situation so they can achieve labour market and social integration or take part in other activities, including leisure activities.

Total remuneration

Since 2018, Bankinter has had a total remuneration platform that allows employees to consult all the updated elements that form part of their pay package: Fixed remuneration, variable remuneration, benefits and emotional compensation (i.e. the benefits offered by Bankinter as salary supplements for employees, to cover their personal, family and professional needs, improve their quality of life and ensure a work-life balance).

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Average total remuneration by category

	2021			2020		
	Male	Female	Total	Male	Female	Total
Managers	248,294.12	214,290.62	237,866.38	244,535.29	204,122.49	231,064.36
Middle managers	84,143.97	71,519.08	79,043.99	81,320.40	70,048.61	76,758.01
Commercial/Senior Technicians	61,869.69	53,905.93	58,031.74	59,574.05	51,333.88	55,614.03
Commercial/Technicians	44,645.07	40,411.06	42,139.49	41,844.14	39,016.38	40,209.35
Staff	31,984.33	31,534.35	31,712.64	28,062.43	27,822.22	27,914.82
Total	68,629.01	52,428.29	60,467.92	60,080.38	45,704.70	52,540.07

Average total remuneration by age

	2021			2020		
	Male	Female	Total	Male	Female	Total
Under 30	31,903.18	28,584.32	30,339.26	28,918.86	27,267.05	28,059.31
From 30 to 39	52,162.45	43,567.03	47,440.85	45,384.80	39,044.88	41,988.32
From 40 to 49	68,062.92	53,267.74	60,488.33	60,548.18	47,293.62	53,474.83
From 50 to 56	81,376.51	62,869.60	72,036.57	82,112.43	55,941.42	67,855.59
Over 56	100,402.09	73,106.62	91,247.44	95,371.07	65,530.07	84,972.87
Total	68,629.01	52,428.29	60,467.92	60,080.38	45,704.70	52,540.07

Average remuneration of directors and executives

	2021			2020		
	Male	Female	Total	Male	Female	Total
Executive director	1,053,912.04	2,127,044.38	1,590,478.21	1,150,177.30	2,178,037.85	1,664,107.58
Non-executive director	134,325.00	128,457.50	131,391.25	104,904.43	113,507.70	113,507.70
Senior management	627,157.22	500,046.46	572,681.18	644,557.48	546,749.60	607,879.53
Total	455,537.88	517,626.72	484,756.16	392,868.90	602,718.95	466,316.42

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Salary gap

- Salary gap calculated by category average: The gender salary gap has been calculated taking into account the total remuneration of the employee (this includes 100% of the fixed remuneration, other concepts, and all variable concepts received by the employee in 2021). The calculation is performed by dividing the total average remuneration of women by the total average remuneration of men for each of the five categories, and calculating an average weighted salary gap for each of these five categories to obtain the total salary gap of 11.28% in 2021.
- Salary gap calculated by position: The gender salary gap has been calculated taking into account the total remuneration of the employee (this includes 100% of the fixed remuneration, other concepts, and all variable concepts received by the employee in 2021). The calculation is performed by dividing the total average remuneration of women by the total average remuneration of men for each of the positions defined previously (taking into account internal levelling and the position sub-family), and calculating an average weighted salary gap for each of these positions to obtain the total salary gap of 6.69% in 2020.

Salary gap calculated by category average *

	2021	2020
Total	11.28%	8.58%

* The 2020 salary gap was calculated including Linea Directa, which is no longer part of the Bankinter Group in 2021

Salary gap calculated by position*

	2021	2020
Total	6.69%	6.00%

* The 2020 salary gap was calculated including Linea Directa, which is no longer part of the Bankinter Group in 2021

Relationship between the fixed remuneration of the highest paid person and the median fixed remuneration for all employees, except the highest paid person

	2021	2020
Spain	21.55	24.25
Portugal	6.56	6.59
Luxembourg	2.87	3.02
Ireland	5.92	7.64

Relationship between the percentage increase in the fixed remuneration of the highest paid person and the percentage increase in the median fixed remuneration for all employees, except the highest paid person

	2021	2020
Spain	0	1.42
Portugal	0.26	2.31
Ireland	0	0

** Information for Luxembourg is not included as its sample of employees is not significant. The average percentage increase for the entire workforce except the highest paid person is considered

Ratio of standard entry-level salary compared to local minimum wage*

	2021	2020
Spain	1.73	1.75
Portugal	1.33	1.39
Luxembourg	1.13	1.14
Ireland	1.11	1.12

* The ratio is calculated using the standard starting category in the applicable agreement. It is, therefore, the same for men and women.

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Disconnection policies

Bankinter Group ensures that employees do not work more than the hours assigned and under no circumstances are they asked to carry out work-related tasks outside of their workday. To this end, it works to ensure that work loads are in line with available working hours. In the event that the working day must be extended occasionally, flexibility mechanisms have been put in place to compensate any excesses.

The collective agreements for banks and savings banks already include employment disconnection measures through collective bargaining. These will be applied in Bankinter Group companies.

The new collective bargaining agreement approved on 3 December 2020 for Savings Banks and Financial Institutions 2019-2023 applies to EVO, regulating the legal framework for work disconnection policies.

At Avantcard, employees' working hours are regulated by the Organisation of Working Time Act (introduced by the Irish government to ensure that companies treat and pay their staff fairly). A "Right to Disconnect" policy was developed in 2021, including guidance on issues such as best practices for working hours and using technology.

Employees with a disability

Bankinter has agreements with entities such as the Integra Foundation, Ilunion, the ONCE Foundation, the Angel Riviere Foundation and the Goodjob Foundation for inclusion of people with disabilities. Bankinter is also a member of the Employee Family Plan. This programme, promoted by the Adecco Foundation, provides a variety of types of assistance to employees with disabilities and/or children in a similar situation so they can achieve real labour market and social integration or perform other activities, including leisure activities.

The various measures related to employees and family members with disabilities have been implemented through the Family Responsible Company management system.

The bank has incorporated accessibility criteria into its working environments to facilitate the hiring of people with disabilities. It also has certification for this for its headquarters at Paseo de la Castellana 29 in Madrid and the LEED building at Avenida de Bruselas 14 in Alcobendas. The bank's Corporate University has universal accessibility certification under the UNE 170001 Standard. Nine of the branches in the network have now been incorporated into the scope of this universal accessibility management system, with the addition of agency 1 in Madrid in 2021, which is acting as a pilot for the bank's new branch model.

Employees with a disability			
			2021
	Employees	Total staff	% disability
Spain	50	5,101	0.98%
Portugal	12	772	1.55%
Ireland	1	232	0.43%
Luxembourg	0	33	0.00%
Total	63	6,138	1.03%

Employees with a disability			
			2020
	Employees	Total staff	% disability
Spain	49	7,608	0.64%
Portugal	8	772	1.04%
Ireland	1	258	0.39%
Luxembourg	0	30	0.00%
Total	58	8,668	0.67%

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Reconciliation

Bankinter has been awarded EFR (Family Responsible Company) certification. With this certificate, the Más Familia Foundation recognises those entities that contribute most to achieving a good work-life balance in terms of quality employment, work-life balance, equal opportunities and professional development. These measures are implicitly related to the organisation of employees' working hours.

This involves accreditation of the implementation of numerous social responsibility and work-life balance measures, examples of which for each of the blocks considered in the EFR system include the following:

1. Quality employment. This includes measures such as: Special terms and conditions for products sold by the bank (accounts, cards, mortgages, etc.) and financial assistance for training.

2. Flexibility for working hours and location. This includes measures such as: flexible entry and exit times during some time bands, and the possibility of taking a sabbatical month for 20, 25 or 30 years of seniority.

3. Support for employees' families. This includes measures such as: 38 calendar days leave for multiple births, a month of unpaid leave to care for a child under 3 years of age, or a month of paid leave for multiple births or birth of a child with a disability.

4. Professional development. This includes measures such as: the training platforms made available to employees (Bdigital, Blider) and the recognition process.

5. Equal opportunities. This block includes measures such as: monetary assistance for employees with disabilities and/or with children with disabilities, and agreements with various associations and foundations for the inclusion of people with disabilities.

6. Leadership and management style. This includes measures such as provision of specialised training for senior management and implementation of protocols such as confidential whistleblowing.

The corporate intranet has specific sections devoted to the reconciliation of work-life balance that provide employees with information on all the measures and explain how they can enjoy them.

Parental leave

	2021 (*)			2020 (**)		
	Male	Female	Total	Male	Female	Total
Employees entitled to parental leave in 2021	153	153	306	198	220	418
Employees who took parental leave in 2021 (*)	158	119	277	170	218	388
% of staff returning to work after leave	100.0	96.0	98.2	99.3	95.0	96.9
% return to work after leave and continue in organisation 12 months later	93.9	97.5	96.1	95.1	95.1	5.1

(*) Includes employees who started their parental leave in 2020

(**) Includes employees who started their parental leave in 2019

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Dialogue with employees

Bankinter has defined a comprehensive framework for action with its employees - its main asset - at its heart. It understands that their satisfaction and engagement are crucial to the bank's success and directly impact the income statement, which represents the group's main risk of internal corporate management.

Satisfaction surveys are carried out with all staff every two years (Opina survey) with a sampling of employees every other year (Séñsor survey) to monitor this aspect.

Based on the findings of these surveys, action plans are implemented to improve the attributes with the lowest scores. The sustainable management indicator is considered a key aspect, since it shows the direct correlation between companies with a high level of this commitment and companies that deliver superior business results.

The 2021 Sensor survey rated the sustainability commitment of Bankinter Spain at 82%, five points higher than in the 2019 Sensor survey and seven points above the Spanish Standard. 85% of employees consider the bank to have a good reputation and external image. This is seven percentage points higher than in 2019 and 15% above the Spanish standard. Overall satisfaction levels were five points higher than in the last survey, at 75%.

In Portugal, the People Management area has carried out several programmes related to communication and closer relationships with employees, such as "HR with you", "Bankinter LAB", etc. As in Spain, six-monthly service quality surveys allow employees to evaluate the service they receive internally from other areas and suggest improvements and recognition. The 2021 results were the best since measurement began in 2016. An Organisational Climate Survey is also carried out every year. This is totally confidential and administered by an external consultant. It is used to gather the vision, suggestions and ideas of employees on a range of issues related to the bank's management. This resulted in a score of 83% for the sustainable commitment indicator.

Direct dialogue with EVO employees took place throughout 2021 through the corporate channels and in meeting spaces for staff and management. More than 120 internal communication were sent in EVO to communicate the general situation of the organisation, boost productivity and foster motivation among the workforce. Two management meetings were also held, involving 100% of the workforce.

Avantcard carried out employee surveys in 2021 related to employee engagement and involvement, obtaining very positive results that helped the company to earn 'Great Place to Work' recognition. In response to the challenges of the pandemic, an opinion poll was conducted in June 2021 to understand employees' concerns and gather feedback on future ways of working.

Dialogue with workers' representatives is ongoing as an important aspect of employee relations. More information on this can be found in the Union Representation and Collective Bargaining Agreements sections.

85% of employees consider the bank to have a good reputation and external image, seven percentage points higher than in 2019 and 15% above the Spanish standard.

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Trade union representation

The group is firmly committed to respecting employment regulations, union rights and the freedom of association and collective representation, providing employees with optimal channels of social dialogue and participation to resolve conflicts or differences between the parties and reach agreements within the employment framework.

Worker representation is carried out through:

- Unitary representation (where representatives may submit their candidacies freely, which are voted on by employees).

In the case of Bankinter, these are in place at:

- Bankinter Global Services, S.A., where the unitary representation is for the entire company, as it is a single work centre.
- Bankinter, S.A., but only in certain geographical areas. In practice, there are company committees or employee representatives in all centres and groupings of centres where the CC.OO. union has put forward a candidate, with the exception of the province of Las Palmas, where "BK Independents" are the legal representation for employees.
- Representation is also combined in Bankinter Consultoría Asesoramiento y Atención Telefónica, S.A., as this is also a single work centre.
- Relanza Gestión, S.A., has one employee representative, as it is a company with fewer than 30 workers.

- Representation through the trade union branch: this representation extends throughout the Company, both at Bankinter, S.A. and at Bankinter Global Services, S.A., the two companies where the CC.OO. officially has a trade union branch. Bankinter, S.A. also has two representatives in accordance with the Organic Law on Freedom of Association (LOLS), in Malaga and in the province of Las Palmas.

With this trade union structure, which is included in the Workers' Statute and the LOLS, 100% of the employees of Bankinter, S.A. are considered to be represented, which is also the case with EVO.

In the case of Avant Money, the company recognises the right of employees to join trade unions, although in Ireland companies have no obligation or requirement in this respect.

Collective bargaining agreements

100% of the group's employees have signed the collective bargaining agreement applicable at the work centres of their group companies.

These obligations are fulfilled pursuant to current legislation in accordance with the circumstances of each company.

The collective bargaining agreements in place at all Group companies refer to matters related to employee health and safety, as well as the prevention of occupational risks. They also promote and encourage organisational, training and information sessions on these matters.

100% of the group's employees have signed the collective bargaining agreement applicable at the work centres of their group companies.

Employees covered by collective bargaining agreements

	2021	2020
Spain	100%	100%
Luxembourg	100%	100%
Portugal	100%	100%
Ireland	(1)	(1)

(1) Avant Money recognises the right of employees to join a union, however, there is no compulsory recognition of unions in Ireland and therefore Avant Money does not need to recognise or negotiate with a union.

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Health and safety committees

At Bankinter, health and safety committees made up of union and company representatives have been created in the provinces of Barcelona, Madrid, Valencia, Alicante, Murcia and Guipuzcoa, and at Bankinter Global Services. These committees meet on a quarterly basis and discuss matters regarding health and safety to minimise occupational hazards and improve employee health.

CCOO health and safety officers are in place in other provinces, such as Álava, Gerona and La Coruña, where committees cannot be formed because of the number

of employees. Health and safety aspects affecting the employees they represent are discussed with these officers.

EVO also has a health and safety committee.

The health and safety committee is the internal participation body that regularly looks at the Company's actions regarding risk prevention. It is composed of OHS delegates and an equal number of representatives appointed by the Company. It is, therefore, a joint, consultative and collegiate participation body.

The legal regulation on OHS delegates is included in article 35 of Law 31/1995. This designation is carried out by and among the employee delegates (unless another designation method is agreed in the collective bargaining agreement, however, this is not the case). A health and safety management system, certified under ISO 45001, has been implemented at the Bankinter facilities in Portugal.

Days absent*

Days absent	Spain				Portugal				Ireland			
	2021		2020		2021		2020		2021		2020	
	No. of days absent	No. of hours absent	No. of days absent	No. of hours absent	No. of days absent	No. of hours absent	No. of days absent	No. of hours absent	No. of days absent	No. of hours absent	No. of days absent	No. of hours absent
Common illness	26,901	205,593	55,416	381,723	3,205	22,435	4,062	28,434	1,783	10,338	1,468	10,864
Female	18,499	141,383	38,127	261,528	2,433	17,031	2,901	20,307	1,312	8,082	1,101	8,150
Male	8,402	64,210	17,289	120,195	772	5,404	1,161	8,127	471	2,256	367	2,714
Total occupational accidents with medical leave	1,042	7,971	1,105	7,242	0	0	37	259	0	0	0	0
Female	618	4,724	539	3,314	0	0	10	70	0	0	0	0
Male	424	3,247	566	3,927	0	0	27	189	0	0	0	0
Total	27,943	213,564	56,521	388,965	3,205	22,435	4,099	28,693	1,783	10,338	1,468	10,864

Days absent*

	Spain				Portugal				Ireland			
	2021		2020		2021		2020		2021		2020	
	No. of days absent	No. of hours absent	No. of days absent	No. of hours absent	No. of days absent	No. of hours absent	No. of days absent	No. of hours absent	No. of days absent	No. of hours absent	No. of days absent	No. of hours absent
Maternity	8,361	63,810	14,274	103,001	1,402	9,814	2,580	18,060	952	6,675	496	3,670
Female	8,361	63,810	14,186	102,327	1,402	9,814	2,580	18,060	952	6,675	496	3,670
Male	0	0	88	674	0	0	0	0	0	0	0	0
Paternity	7,004	53,543	5,640	39,804	340	2,380	546	3,822	90	670	69	511
Female	20	153	61	342	0	0	0	0	0	0	0	0
Male	6,984	53,389	5,579	39,462	340	2,380	546	3,822	90	670	69	511
Total	15,365.0	117,352.5	19,914.2	142,804.7	1,742.0	12,194.0	3,126.0	21,882.0	1,042.0	7,345.0	565.0	4,181.0

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Absenteeism rate not including maternity/paternity leave^{1,2}

	Spain				Portugal				Ireland			
	2021		2020		2021		2020		2021		2020	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Absenteeism rate	0.784	1.696	1.059	2.294	0.445	1.402	0.678	1.661	0.725	2.020	0.585	1.756
Total	2.5		3.4		1.8		2.3		2.7		2.3	

Absenteeism rate including maternity/paternity leave^{1,2}

	Spain				Portugal				Ireland			
	2021		2020		2021		2020		2021		2020	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Absenteeism rate	1.404	2.440	1.396	3.140	0.641	2.210	0.990	3.133	0.864	3.485	0.695	2.547
Total	3.8		4.5		2.9		4.1		4.3		3.2	

Accident rate^{1,2}

	Spain				Portugal				Ireland			
	2021		2020		2021		2020		2021		2020	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Accident rate	0.001	0.001	0.001	0.032	0	0	0.015	0.006	0	0	0	0

Occupational accidents^{1,2,3}

	Spain				Portugal				Ireland			
	2021		2020		2021		2020		2021		2020	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Frequency rate	0.582	0.466	0.701	0.234	0	0	0	0	0	0	0	0
Severity rate	0.029	0.020	0.014	0.004	0	0	0	0	0	0	0	0
No. of fatalities due to occupational illness	0	0	0	0	0	0	0	0	0	0	0	0
Type of occupational illnesses	In view of the bank's activities, no occupational illnesses were detected.											

1. Only in-house staff are reported. Average employee numbers are used in calculating the rates.
2. The risk of injury due to occupational accidents is low

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Equality plans and measures adopted to promote equal opportunities

Bankinter has an equality plan that sets out policies that govern the day-to-day operations at the Company with regard to equality and non-discrimination. The main commitments of this plan are as follows:

- Bankinter respects the principle of non-discrimination based on race, gender, ideology, nationality, religion, sexual orientation or any other personal, physical, psychological or social condition of its employees, and will promote equal opportunities among its employees, including gender equality, the integration of employees of other nationalities and the inclusion of people with disabilities. This commitment involves removing any obstacle that might stop the Company complying with the right of equal treatment and opportunities.
- Bankinter also rejects any manifestation of physical, sexual, psychological or moral harassment and violence in the workplace, as well as any offensive or abusive behaviour that creates an environment of intimidation with regard to employees' personal rights.
- The Entity also rejects employment discrimination practices that are contrary to the fundamental rights of its employees.
- Equal opportunities for men and women are imperative for reasons of justice and equality, but they have also become a condition for economic progress and a necessity for companies that wish to effectively compete in attracting and retaining talent.

However, negotiations began in 2021 with the legal representatives of the workforce to adapt the Equality Plan to the new legislation in this area approved at the end of 2020. It has been agreed with the legal representatives of the workforce that the current Equality Plan will remain in effect while these negotiations continue. Group companies with more than 50 workers, to which the measures in the Bankinter Equality Plan have previously applied, will negotiate and implement their own Equality Plans. The spirit in the current negotiations with the legal representatives of the workforce is to ensure common criteria and commitments in all Group companies, while providing them all with specific equality objectives based on the circumstances of each company that has its own Equality Plan.

Bankinter has an Action and Prevention Protocol for any situation of workplace harassment and a confidential whistleblowing channel, in order to resolve any potential situations of harassment that arise, quickly, confidentially and appropriately.

Any decisions regarding the management of people in the organisation are taken in accordance with objective criteria, such as the results of their performance assessments and the achievement of objectives.

Training plans also seek to raise awareness among personnel managers on the need to treat all employees equally and fairly.

Bankinter, together with several other of Spain's largest companies, is a member of the MasHumano Network. This network works to implement flexible working models based on productivity, shared responsibility and humanity as keys to their sustainability.

At EVO Banco the collective bargaining agreement negotiation committee, made up of an equal number of company and worker representatives, is currently drawing up an equality plan.

Avant Money has an equal opportunities policy to prevent discrimination on the grounds of gender, marital status, family status, sexual orientation, religion, age, disability, race or membership of different communities. Its aim is to select, hire, develop and reward the best people based solely on their suitability for the job, and to guarantee that all employment terms and conditions and labour requirements reflect our commitment to equal opportunities.

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Diversity management policy

In carrying out its activities, Bankinter recognises the value of individual differences and actively promotes diversity in its talent management procedures. Bankinter has had an Inclusion and Diversity Policy since 2020. The aim of this policy is to fulfil the pledge to protect and promote compliance with human rights and the applicable diversity and inclusion laws in the countries in which the bank operates, guaranteeing equal opportunities and providing fair, non-discriminatory and unbiased treatment.

Bankinter has signed the Diversity Charter, a project promoted by the European Commission through the Diversity Foundation under EU anti-discrimination directives. By signing the Charter, entities undertake to:

- Respect the core principles of equality.
- Encourage behaviour that respects the right to include all people, regardless of their diverse profiles, in the work environment and in society.
- Recognise the benefits of including cultural, demographic and social diversity within the organisation, implementing specific policies to ensure a work environment that is free of bias with regard to employment, training and promotion.
- Promote non-discrimination programmes for disadvantaged groups. All Group companies have people management policies that include diversity and equal opportunities criteria. The group also works closely with various organisations, associations and work groups to promote such policies.

All Group companies have people management policies that include diversity and equal opportunities criteria. The group also works closely with various organisations, associations and work groups to promote such policies.

Accessibility

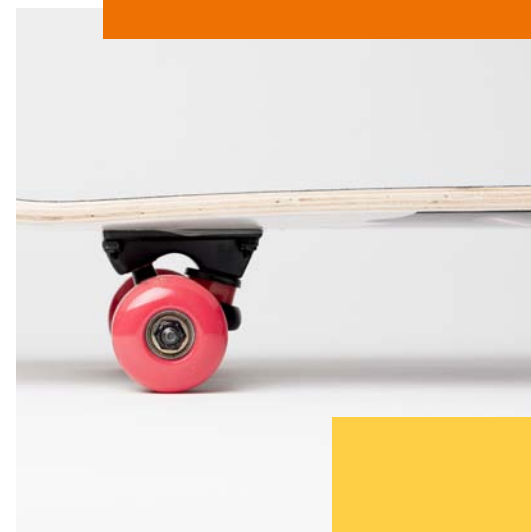
Bankinter has implemented certain mechanisms to identify the needs, expectations and motivations of its external and internal stakeholders, endeavouring to provide them with a response through various advanced employment and social management programmes. These programmes aim to improve the entity's performance in its relationship with these groups. These programmes include one that is specifically focused on meeting the needs and expectations of disabled and elderly people by aiming to offer them a quality service adapted to their needs.

Accessibility and financial inclusion

Bankinter's pursues its inclusive strategy through the 'A bank for all' programme, which reflects its firm commitment to making all its relationship channels with its stakeholders accessible. This line of action addresses physical accessibility as well as digital and cognitive accessibility.

Bankinter has implemented a Universal Accessibility Management System (SGAU) certified under the UNE 170001 standard at its major buildings in Madrid (the headquarters in Paseo de la Castellana and the LEED building in Alcobendas) and in branches in various provinces, to continue improving its accessibility indicators. The company's Corporate University at the Tres Cantos building in Madrid also has the same certification, meaning that it is accessible to people with any kind of disability.

All Group companies have people management policies that include diversity and equal opportunities criteria.



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At Bankinter Portugal, the Properties area is continuing its remodelling plan to guarantee physical access to all branches and work centres for the bank's customers and employees with reduced mobility.

In terms of digital accessibility, the bank has set itself the goal of ensuring the accessibilities of all the content and services offered through its websites, in line with recommendations of the World Wide Web Consortium (W3C) in its WACG 2.0 guidelines.

In line with the accessibility commitment in 'A bank for all', the entity also offers coordinate cards using Braille for people with visual impairments, enabling them to bank by telephone, and provides monthly statements in audio and large print formats.

In relation to cognitive accessibility, the bank has made a Clear Finance Dictionary (<http://diccionarioeconomia.com/>) 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 new Commercial Protocol used by Bank employees includes service guidelines for differently abled people for each phase of commercial activity.

With a view to supporting the dissemination of the finance culture, in 2019 Bankinter launched Money Town, a digital financial education platform which includes a simulation game targeted at students aged 12 to 18. The platform is freely accessible for educators and parents who want to teach young people about savings, budgets, investments and payment methods (<https://bankinter.moneytown.es/>). The platform had more than 17,800 registered users at the end of 2021.

The bank has designed its 'Game of Traders' game to introduce university students to the world of equities. The rounds of this held in 2021 attracted over 3,500 participants from more than 80 Spanish universities and academic institutions. The game has a substantial educational component and uses a graphical platform through which the players act as real traders. Most of the participants in the first edition of the game had no previous experience of trading, but thanks to an environment that simulates real market performance they were able to find their feet in the investing world.

The bank's Mueve.te corporate volunteering programme promotes financial education activities for groups such as people with disabilities, people at risk of social exclusion and secondary-school pupils.

In line with the accessibility commitment in 'A bank for all', the bank also offers coordinate cards in Braille for people with visual impairments.



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Human rights

Commitment to respect, support and protect human rights in our activities



Bankinter is a member of the Spanish Network of the United Nations Global Compact and therefore assumes the commitment to incorporate into its activity the ten principles of conduct and action on human rights. These include the elimination of discrimination in respect of employment and occupation, freedom of association, the right to collective bargaining, elimination of all forms of forced and compulsory labour, and the effective abolition of child labour.

In 2021, Bankinter's Luxembourg subsidiary signed up to the Pacte National Entreprises et Droits de l'Homme (the National Companies and Human Rights Pact) promoted by the Luxembourg Ministry of Foreign and European Affairs. This government initiative is pursuing a joint commitment between government and companies to implement the UN Guiding Principles on business and human rights.

The bank's activity is governed by a human rights policy that includes its commitment to respecting, supporting and protecting human rights in its activities and in relation to its stakeholders in the environments where it operates: (employees, customers, suppliers and other commercial partners) under the UN motto: "protect, respect and remedy".

To develop this policy, the bank has launched a due diligence process that considers the bank's relationships with its stakeholders (employees, customers, differentiating between individuals and companies, providers of products and services, potential customers and the environment). The areas directly involved in its management were involved in this identification and assessment of the potential risks of the bank's activities, assessing both their probability and impact, without considering the controls already in place in the organisation. Based on the controls identified, a second assessment is performed, considering these controls, to obtain the residual risk. The risks are then categorised into three levels - high, medium and low - based on a scale of values.

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

The bank has processes in place to remedy any adverse effects that might impact human rights, including complaint mechanisms (confidential complaint channels), annual publication of its human rights report (as a chapter in the Statement of Non-Financial Information) and remediation mechanisms.

The bank has implemented a management system that seeks to continuously improve its social performance, particularly with regard to human rights.

The sustainability committee is responsible for approving the policy and monitoring the degree of compliance with its principles. The committee's members have received training in the application of human rights in business activities.

In line with these principles, in its financial and investment analyses the bank applies the obligation of not financing any transactions that might result in violations of human rights. It has established sustainability principles for investment and specific sector policies for industries such as defence, mining and farming that include criteria related to human, social and environmental rights, covering the elimination of discrimination in respect of employment and occupation, the elimination of all forms of forced and compulsory labour, and the effective abolition of child labour. Since 2018, when these policies were approved, 7% of the transactions analysed have been rejected for not meeting these non-financial criteria, with none rejected in 2021.

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The bank has identified and assessed the risks associated with its activity in relation to compliance with the two Human Rights principles in the Global Compact: "Businesses should support and respect the protection of internationally proclaimed human rights" and "Businesses should make sure that they are not complicit in human rights abuses."

A group of *KPIs* has also been identified for monitoring the performance of the controls for each risk. This monitoring is an additional agenda item for all of the bank's sustainability committees.

This assessment of human rights risks has enabled the entity to identify the significant aspects involved in the potential risk of breaches of human rights. This map shows that operating in Spain, Portugal and Luxembourg reduces the risks of direct impacts on the bank's activity in this area. However, the main risks in the bank's investment and financing operations are identified through its own activity. The bank establishes and applies controls to minimise residual risk in such operations.

No significant risks to human rights were identified as a result of this assessment. However, the bank will continue to strengthen its controls to minimise residual risk, as a continuous improvement activity.

The bank has launched a course on the United Nations Guiding Principles on Business and Human Rights for all employees. This has been taken by 627 employees since its launch (207 hours). It has made a training pill on risk management associated with compliance with human rights available to its suppliers.

The bank's activity is governed by its Human Rights Policy



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Bankinter is continuously monitoring to identify new risks of human rights violations, to update its due diligence process and adapt its redress mechanisms.

The group's Code of Ethics sets out a series of principles based on respect for human rights and public freedoms. It also has Codes of Ethics for its suppliers, which include sections on respect for these rights and employment legislation.

Bankinter's supplier approval process includes aspects of sustainability, with questions on respect for human rights in business, to monitor compliance with these Codes and to respect and promote respect for human rights throughout its value chain.

EVO is subject to the principles, rights and obligations in the Bankinter and Avant Money Code of Ethics. It also has policies for risks and conflicts of interest, which are similar to a code of ethics, and which include aspects related to the protection of human rights.

The annual training plans of all Group companies include training pills on the code of ethics and compliance policies that contain aspects related to human rights.

All the group companies have a whistleblowing channel for reporting any breaches of the code of ethics. This channel can be freely accessed by all employees and is confidential. No reports with regard to violations of human rights were received in 2021.

Bankinter is a signatory of the Diversity Charter, a project promoted by the European Commission within the European Union's anti-discrimination directives.

There were no cases of discrimination in the area of human rights in 2021.

Bankinter group complies strictly with the provisions of the core conventions of the International Labour Organization (ILO) with regard to respecting freedom of association and the right to collective bargaining, as well as with the Spanish Constitution, the Organic Law on the Freedom to form a Trade Union, the Workers' Statute and the collective bargaining agreements applicable in all the countries in which it operates.

Bankinter has signed up to the Diversity Charter, a project promoted by the European Commission through the Diversity Foundation as part of the EU anti-discrimination directives. In line with its commitment to diversity, Bankinter has joined the CEOE Foundation's CEOs for Diversity initiative, which aims to unite companies around a shared and innovative vision of diversity.

The employees of the security companies that work at Bankinter Group centres have to be accredited to practise this profession, which guarantees the training, requirements, quality and hiring practices for these professionals and services. Required courses include deontology and fundamental rights.

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Fight against corruption and bribery

Developing best practices in regulatory compliance



The bank must achieve its business objectives while complying not only with regulations, but also the domestic and international standards and best practices required of its operations. Regulatory compliance is not just a legal obligation for Bankinter, it is an ethical commitment to society.

This commitment also serves as an opportunity to reflect for Bankinter to become a leading institution adapted to the new reality of the finance industry, which is subject to the need to change relationships with customers and adjust the bank's business model in line with new financial consumption habits and multiple reporting requirements.

The growing importance of regulatory compliance has been underlined by the entry into force, as a result of the economic and financial crisis, of several highly complex regulations and the launch of a new supervisory architecture, obliging the bank to strengthen its available resources.

The purpose of the compliance function is to assess and provide guidelines for the lines of business that help define its strategy, ensuring compliance with applicable legislation at all times. With this in mind, all areas of the compliance function spare no efforts in enhancing the training activities of its commercial staff.

Regulatory map

Bankinter Group has assigned the competencies of identifying and reporting regulatory changes to the Office of the General Secretary. The Regulation area, therefore, facilitates early detection of the potential impacts of regulatory changes, reducing their risks. Every year it prepares a three-year regulatory map that serves as the basis for the regulatory strategy. The management of regulatory change was carried out transversally throughout the year, participating in various projects that required the adaptation of Group activities or processes. These include regulations deriving from the European Union's legislative package on Sustainable Finance and preparation of a new report to the Banco de España (Spanish National Central Bank) under Circular 4/2021, on models for reserved statements in matters of market conduct, transparency and customer protection, and on the recording of complaints.

The particular importance of the implications of the definitive cessation or loss of representativeness of certain terms and currencies for the LIBOR announced during the year by the Financial Conduct Authority made this a priority. The Regulation area advised the group on adaptation to this, and the analysis and decisions required to mitigate its impact and ensure an orderly transition.

The entry into force of consumer protection regulations, such as those relating to open-ended credit associated with payment instruments, required certain adaptations that enhance customer protection. Adaptation of the Guidance on criteria for the organisation and operation of the customer care areas of entities supervised by the Banco de España (Spanish National Central Bank) resulted in improvements to the customer protection system.

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Other significant regulatory changes included: those introduced by: the Central Securities Depository Regulations, specifically with regard to the Securities Settlement Discipline regime; the ESMA Guidelines on the Regulatory Compliance function; and those resulting from transposition of Directive 2015/849, on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing.

Institutional framework

The new Control and Compliance Department was formed in January 2021, integrating the areas responsible for the following second lines of control in the entity: i) the Risk Control and Internal Validation Unit, ii) the Financial Control and Analysis Unit, iii) the Regulatory Compliance Unit and iv) the Anti-Money Laundering and Counter Terrorism Financing Unit.

The aims of this decision are to standardise the information systems in all of these second-level control areas, provide a single risk map, and guarantee greater and better control by ensuring more interaction with the areas. This will deliver greater efficiency and optimise resources, as well as providing this second line of control with the necessary independence to carry out its duties in line with best practices in this area. Since September 2021, this new Directorate has been a corporate function whose structure enables: coordinated management of all risks at the group level, while maintaining the characteristics and specific requirements of each country; better coordination of global control and compliance; simplification of the reports and controls in the organisation, by establishing common policies and procedures; and a single control methodology consistent with new international internal control standards.

The risk control culture is deeply rooted in the organisation. This is driven by the commitment of the board and senior management. It is communicated to the business units flexibly and efficiently through the corporate structure and the systems and tools configured from the outset to ensure compliance with the regulations and prevent unwanted behaviour.

This culture is reinforced by an incentives policy consistent with the group's risk appetite, with continuous and mandatory training for the entire workforce, and an enhanced whistleblowing channel.

A model based on the three lines of defence has been implemented. This guarantees the independence of the function and ensures a structure appropriate for the organisation's principles and risk culture, integrating the various risks of banking activity and ensuring their centralised management through a corporate structure with responsibility for the global scope.

Under this regulatory and institutional framework, the bank developed the basic areas of the compliance function in 2021 through the following units:

- Control and advice on regulatory compliance in relation to banking transparency, investment products and services, market abuse, internal compliance regulations and conflicts of interest: Bankinter has implemented a methodology based on the risk approach that enables the risk of default in each area of activity to be assessed in relation to the provision of investment and banking services.
- Anti-money laundering and counter terrorist financing. Reinforcement of the risk management and control framework and the monitoring implemented centrally continued in 2021.

- Risk Control and Internal Validation, which is responsible for control of credit, operational, technological, market and institutional risk.
- Financial Control and Analysis, which reviews the general framework for internal financial control and outsourced services.

The Regulatory Compliance and Anti-Money Laundering and Counter Terrorist Financing functions are integrated into Bankinter's internal institutional framework. Both of these functions are part of the Corporate Control and Compliance division, which has global corporate and support responsibilities for the group's governing bodies. The head of the Control and Compliance division reports to the chief risk officer, and reports hierarchically to the board of directors' risk and compliance committee. The Control and Compliance unit ensures effective control of all risks in relation to the bank's risk culture and policies, and compliance with its operating procedures and regulations. It also guarantees that risks are managed as per the defined risk appetite. This organisation has a global risk map incorporating all of the risks faced and a common information system through the use of a single control tool, including data protection, in order to ensure a comprehensive picture of all risks. This ensures it is a robust second-line of defence.

This organisational structure enables the bank to adequately manage the risk of failing to comply with regulations, which also entails significant reputational risk, with a potentially adverse impact on relations with

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customers, markets, employees and the authorities. In particular, failure to comply with regulations may lead to sanctions, damage or cancellation of contracts, harming the bank's image.

In particular, it is involved in the following bodies of the bank:

- **Regulatory compliance committee.** This is the senior management body that monitors the bank's compliance policies according to the by-laws of the Regulatory Compliance function. The committee executes the policies in relation to the regulatory and regulatory compliance matters established by the board of directors' risk and compliance committee.
- **The products and operational risk committee.** This committee approves the launch, modification and cancellation of products and services offered to customers. It is the body to which information on the entity's operating and operational risk is reported. In 2021, the review of new products and services, in addition to the current portfolio of products and services offered to customers, continued, ensuring that the target audience at which they are directed is appropriate and that the services and products offer sufficient guarantees of quality and control.

- **The Internal Control body.** This body is responsible for establishing and ensuring compliance with policies and procedures for preventing money laundering and the financing of terrorism, in accordance with Law 10/2010 and other applicable regulations, which constitute the Bankinter group's prevention framework. This body must be informed of the Entity's risks in this area, and must ensure that the necessary measures are taken to mitigate them effectively.

Other specialist committees have been set up involving senior management to support the Board's supervisory function, such as the crime prevention and professional ethics committee. The Corporate Compliance and Internal Control division (CCD) is involved in these to ensure effective and consistent risk management. It is also involved in the corporate risk map monitoring committee, the credit risk models committee, the data management operations committee; the coordination of technological risks committee, the information security and business continuity committee, and the outsourcing committee.

The Money Laundering Prevention area, which is part of the Control and Compliance unit, is responsible for ensuring compliance with the bank's policies and procedures for preventing money laundering and terrorist financing. Its aim is to guarantee adequate detection, management, control and monitoring of the risks arising from money laundering and terrorist financing, and compliance with all related legislation.

The Money Laundering Prevention area is responsible for ensuring compliance with the bank's policies and procedures for preventing money laundering and terrorist financing.

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Preventing these practices is a strategic objective for Bankinter Group and an ethical commitment to society at large, in compliance with international standards and the best practices in this area. In line with this objective, in 2021 Bankinter and its subsidiaries continued to develop the control measures needed to comply with the regulations. They also developed and updated the AML/CTF risk map and risk appetite, in line with the bank's framework, and the IT tools for this function, implementing a new management tool for AML/CTF risk.

The AML/CTF Policies and Procedures Manual and the procedures in its appendices were also modified and updated to make them more responsive and structured, incorporating the proposals made by the supervisor and incorporating regulatory changes.

The subsidiaries and branches have their own risk management and control policies adapted to the specific regulations applicable in the host country. They also have specific procedures, systems, processes and resources adjusted to the nature, size and complexity of the activities performed, in line with the group's corporate policies.

The current state of affairs caused by COVID-19 has led to the approval and publication of new reports and guides to identify risks and changes in customer behaviour and criminal activity involving money laundering and terrorism financing as a result of the pandemic, in addition to assessing the impact on the fight against AML/CTF offences and the measures implemented.

To achieve this, the control activity of the second-line of defence was reviewed for some processes, the AML Supervision Plan approved for the year was adjusted and the action plans implemented were supervised.

Work also continued on the action plan approved for the year to comply with the recommendations of the external expert and the supervisory authority, consolidating the process for updating due diligence.


In 2021, 10,360 Bankinter Group employees took AML training, an increase over the previous year, with 9,196 hours of training, in accordance with the annual training plan.

EVO, which reports functionally to Bankinter's Control and Compliance division, has the following structure to prevent money laundering:

- An **anti-money laundering and counter terrorist financing committee**, which defines EVO's AML/CTF prevention policies and regulations.
- An **AML standing committee** reporting to the above, which has been delegated powers to make urgent decisions within the scope of the powers of the anti-money laundering and counter terrorist financing committee.
- A **Technical Anti-Money Laundering unit**, which reports functionally to Bankinter's Control and Regulatory Compliance division and hierarchically to the managing director of EVO Banco, ensuring all policies and actions in this area are applied jointly in all group entities.
- A **representative before SEPBLAC**, appointed by the board of directors, and two authorised representatives of the representative before SEPBLAC.

The ALM unit forms part of the regulatory compliance function. Its main purpose is to define and oversee business processes and ensure compliance with the anti-money laundering and counter-terrorist financing policy.

Bankinter Consumer Finance, E.F.C., S.A. ("BKCF"), as a hybrid payment institution in the Bankinter Group, is subject to the Corporate Control Policy Framework of the



In 2021 10,360 Bankinter Group employees received AML training, with 9,196 hours of training, in compliance with the annual training plan.

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Bankinter Group, of which Bankinter, S.A. is the regulated parent financial institution. BKCF is considered an obliged entity under article 2.1 of Law 10/2010 and the terms of article 7 of Law 5/2015 of 27 April, on the promotion of business financing. The obliged entities under Law 10/2010 are its Bankinter Consumer Finance, E.F.C., S.A. en Portugal branch in Portugal and its Avantcard DAC subsidiary in Ireland.

Through the Policies and Procedures Manual on Anti-Money Laundering and Terrorist Financing, BKCF establishes corporate policies for the prevention of money laundering and the financing of terrorism, with the refinements required under the regulations applicable to the subsidiary and branch operating in the European Union. The subsidiary and the branch have their own risk management and control policies, which are adapted for the specific regulations applicable to them, in line with BKCF's corporate policies.

It has the following AML/CTF structure:

- An **Internal Control body**, whose main mission is to ensure compliance with the policies established by the entity in this area.
- **The BKCF audit and risk committee.** This body oversees regulatory compliance in BKCF, including AML/CTF, and considers the reports and proposals submitted by the units and areas responsible for these issues.
- The mission of the **AML/CTF Technical unit** is to guarantee adequate detection, management, control and monitoring of the risks arising from money laundering and terrorist financing, and compliance with all related legislation.
- The **Regulatory Compliance function**, which performs control tasks and regular assessment of the adequacy and effectiveness of the policies, measures and procedures for managing regulatory risk. It also advises on the measures needed to ensure compliance with the regulations and assesses the potential impact of regulatory changes.
- A **representative before SEPLAC**, appointed by the board of directors of BKCF on the basis of a positive report about their suitability from the appointments, sustainability and corporate governance committee, and two representatives authorised by the representative before SEPBLAC.

Outlook

One of the main issues in 2022 will continue to be the Sustainable Finance legislative package, with the level 2 regulatory developments expected to see the light of day. Bankinter Group is committed to and supports this legislative package, which will strengthen Europe's resilience.

We will also see flexibility in some aspects of the Markets in Financial Instruments Directive, resulting from its modification as a result of the Quick Fix in response to the COVID-19 pandemic.

The development in the transition of certain LIBOR terms and currencies, calculated during 2022 under a synthetic methodology, and the orderly transition to the risk-free indices designated by the European Commission will also require close attention. Adaptation of the entity to the new regulation on covered bonds under Directive 2019/2162 will be completed this year. The entity adaptation to the modifications made to the PRIIPS regulation on packaged retail investment and insurance products, which are currently under review, must also be driven forward.

Other regulatory requirements planned for 2022 onwards include those relating to regulations that are still in the process of being adopted but which will have significant impact, such as the proposed regulation on digital operational resilience for the financial sector (DORA), and those derived from the European Union initiative on retail investment, and revisions of Directives such as the Consumer Credit and Mortgage Credit Directives.

Finally, due to their implications and the novelty of the areas to which they apply, the proposed Regulation on Cryptocurrency Markets, the proposed Regulation on Artificial Intelligence and the results of the application of the Pilot regulation on DLT-based Market infrastructures will require special monitoring. Careful attention must also be paid to: the development of the European Union package on the prevention of money laundering and terrorist financing, with the creation of the new European authority; modifications to the Data Regulation that must accompany fund transfers; and the Regulation on the fight against money laundering and terrorism financing, which contains directly applicable rules, including those related to due diligence with regard to customers and beneficial ownership. There is also a Sixth Directive on this issue containing provisions to be incorporated into national legislation, such as rules on the national supervisors and financial intelligence units of Member States.

The legislative package on Sustainable Finance will continue to be one of the main focuses of attention in 2022. Level 2 regulatory developments are also expected.

Internal audit control

The Internal Audit Department runs corruption risk and anti-money laundering controls.

All Bankinter centres in Spain were assessed in 2021 through the automatic auditing programmes. Internal audit audited and reviewed control procedures at 10 business units attached to the branch network in Spain, equivalent to 2.2% of the total (1.75% in 2020).

In Portugal, it performed on-site audits and control procedures at 12 centres in the branch network (15 in 2020), representing 13.8% of the total (17.2% in 2020).

It also analysed 100% of the agencies via automatic audits.

The money laundering risk framework is also being reviewed at the level of internal processes. In 2021, a further eight audit engagements were performed, focusing on anti-money laundering and countering terrorist financing in Bankinter Group entities (Bankinter, S.A., Bankinter Portugal, Consumer Finance, Avant Money, EVO and Bankinter Luxembourg).

The whistleblowing channel received 18 confidential reports (6 in 2020), which were processed by the relevant departments.

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Professional ethics

Over the years, Bankinter has demonstrated its zero-tolerance for crime, having adopted all measures necessary to convey this commitment and the obligation to prevent, detect and prosecute crime in all its forms and to the full extent at all levels of the bank's structure.

On 21 October 2015, the board of directors of Bankinter, S.A., in accordance with the reform of the Criminal Code approved by Organic Law 1/2015, of 30 March, which entered into force on 1 July 2015, approved the creation of the crime prevention and professional ethics committee, which is responsible for overseeing the functioning and compliance of the criminal risk prevention model and has autonomous powers of initiative and control.

The Rules and Regulations developing the powers and functions of the committee have been updated in relation to the criminal compliance systems in Bankinter Consumer Finance, Luxembourg and EVO, to ensure harmonisation and integration with the bank's system. These rules and regulations have been presented to the audit and regulatory compliance committee and approved by the board of directors.

The chairman of the crime prevention and professional ethics committee reports annually and directly to the audit and regulatory compliance committee, informing the board of directors.

The report on the general criminal compliance model was completed in 2020, with procedural effects and certification by an external expert implemented in Bankinter. The report concludes that compliance with the requirements established in the current Criminal Code is excellent, as the model: adequately identifies the risks of criminal liability; has the necessary tools; has a complete internal control structure, has the necessary resources, considers ongoing employee training; and is subject to continuous review and improvement.

The audit and regulatory compliance committee and the board of directors have approved Bankinter Group's Anti-Corruption Policy. The objective of this policy is to broadcast a message of uncompromising opposition to corruption, establishing the rules and principles of action needed to prevent and act against any conduct involving corruption in the group's activity.

In addition to the mandatory Circulars and Policies that have to be complied with, Bankinter currently also has:

- Code of Professional Ethics for Bankinter Group employees, available to all employees through the intranet.
- Code of Professional Ethics for agents, available to agents through the agents' extranet.
- Code of Professional Ethics for suppliers, available to suppliers through the suppliers' portal.

The Bankinter whistleblowing channel is accessible to employees through the intranet, to agents through the agents' extranet and to suppliers through the suppliers' portal.

In 2021, a total of 35 disciplinary cases related to breaches of the Code of Professional Ethics were processed by Bankinter's crime prevention and professional ethics committee (25 in 2020). Of these, 18 were in Spain (9 in 2020); 12 were in Portugal (8 in 2020) and 5 involved agents (8 in 2020).

11 bank employees in Spain and 5 in Portugal were dismissed. There were no contract terminations for agents.

In general, the unacceptable behaviour identified derived from breaches of the entity's internal rules and regulations regarding processes and operations.

Avant Money does not have a code of ethics as such. However, matters related to the ethical conduct of employees are covered in its conflicts of interest policy and the framework conduct risk agreement. Matters related to ethical behaviour are also discussed at the quarterly risk committees and at board meetings. No breaches were detected in 2021.

With regard to staff training, courses on criminal compliance and ethical codes were held in all Group companies in 2021.

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Contributions to foundations and NGOs

Bankinter Group's main contribution was through Bankinter Innovation Foundation, through entrepreneurship programmes, an innovation think-tank and training programmes.

Furthermore, Bankinter Group enters into strategic alliances with the third sector in the communities where it operates, working with them to identify and attempt to respond to local needs.

To make its social management more effective, the bank has adopted the methodology developed by Corporate Citizenship Limited and the London Benchmarking Group (LBG) for measuring, managing, assessing and communicating the contributions, achievements and impacts of the bank's social action on the community and the environment. Under this methodology, Bankinter group's total contribution to foundations and NGOs was 3.1 million euros (3.7 million euros in 2020, which includes figures for the Línea Directa Group).

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



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Commitments to sustainable development

Generation of shared value with stakeholders

In carrying out their operations, Bankinter Group companies endeavour to deliver on their corporate purpose to benefit shareholders and to generate sustained value over time for their stakeholders (e.g. customers, employees, suppliers), giving rise to opportunities and investing in local communities, while ensuring prosperous development in the geographical areas in which the bank operates.

Information on the group's social impact includes indicators such as Bankinter Group's net employment, which at the close of 2021 was 6,138 jobs (8,668 in 2020, which included employees of the Línea Directa Group).

In addition to the social impact of direct employment, the group spent over 524 million euros (383 million euros in 2020) on purchases of goods and services from suppliers, which can be used to estimate the indirect employment generated.

Sustainable Development Goals

As a member of the United Nations Global Compact Network Spain, Bankinter has identified the Sustainable Development Goals to which it can make the greatest contribution, and has incorporated goals into its strategy that are related to certain primary SDGs, as set out in its 3D Sustainability Plan, specifically: Good health and well-being (SDG 3), Quality education (SDG 4), Gender equality (SDG 5), Affordable and clean energy (SDG 7), Decent work and economic growth (SDG 8), Industry, innovation and infrastructure (SDG 9), Reduced inequalities (SDG 10), Sustainable cities and communities (SDG 11), Responsible consumption and production (SDG 12), Climate action (SDG 13), Peace, justice and strong institutions (SDG16) and Partnerships for the goals (SDG 17).

The bank has found it has less capacity to contribute to the other SDGs, due to its activity and the geographies in which it operates.

In 2021, Bankinter obtained validation from the certification, inspection and verification body EQA that the bank's sustainability strategy is aligned with the United Nations Sustainable Development Goals (SDGs).

EQA's procedure concluded that the 52 programmes in the 3D Sustainability Plan, which are grouped into various lines of action, are aligned with and contribute to the achievement of 12 of the United Nations Sustainable Development Goals (SDG).

The material issues related to the strategic lines and programmes in the Sustainability Plan, and to the SDGs and the specific goals to which they contribute, are described below:

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Material issues	Strategic lines in the 3D Plan.	Sustainable Development Goals
Related to ethics	Responsible business practices Risk management with ESG criteria Tax strategy Human rights	SDG.10. Reduced inequalities SDG 16. Peace, justice and strong institutions SDG 17. Partnerships for the goals
Related to people management	Advanced employee management	SDG 3. Good health and well-being SDG 4. Quality education SDG5. Gender equality SDG 8. Decent work and economic growth
Related to customer relationship management	Customer-centric services Information security/cybersecurity Financial inclusion: a Bank for all	SDG 10. Reduced inequalities SDG 12. Responsible consumption and production SDG 16. Peace, justice and strong institutions
Related to business strategy	Risk management with ESG criteria Sustainable finance Information security/cybersecurity Financial inclusion: a Bank for all	SDG 7. Affordable and clean energy SDG 8. Decent work and economic growth SDG 9. Industry, innovation and infrastructure SDG 10. Reduced inequalities SDG 11. Sustainable cities and communities
Related to climate change and natural capital strategy	Climate Change Strategy Environmental footprint Biodiversity	SDG 9. Industry, innovation and infrastructure SDG 12. Responsible consumption and production SDG 13. Climate action
Related to the community	Innovation Foundation programmes Volunteering. Mueve.te Citizenship	SDG 4. Quality education SDG 8. Decent work and economic growth SDG 10. Reduced inequalities
Matters related to corporate governance	Corporate governance Risk management with ESG criteria Stakeholder engagement	SDG 16. Peace, justice and strong institutions
Related to the supply chain	Responsible business practices Risk management with ESG criteria Human rights	SDG 10. Reduced inequalities SDG 12. Responsible consumption and production SDG 16. Peace, justice and strong institutions SDG 17. Partnerships for the goals

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Sustainable investment and financing practices

Business goals compatible with sustainable development

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 2021, Bankinter approved its Policy on the integration of sustainability risks into investment decisions and advice, being aware that financial and investment activity makes an essential contribution to economic development and wanting to perform its activities in a responsible manner and encourage its customers to move towards a transition committed to meeting future challenges and achieving sustainable development.

Bankinter's sustainability strategy rests on the core principle that its business goals must be compatible with sustainable development and environmental and social objectives, preserving environmental and cultural resources for future generations, respecting diversity, and promoting the training and recognition of social groups that need specific support.

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 2021, 32 projects to which these principles apply were financed, all in Spain and Portugal and the renewable energy sector. 21 of these were rated B and 11 C, with investment amounting to 315.12 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 2021, 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 Programme 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 (See appendix III).

In 2021, Bankinter joined the Net Zero Banking Alliance, a global financial sector initiative that is part of the United Nations Environment Programme Finance Initiative (UNEP FI). Bankinter is committed to the goal of reaching zero net emissions by 2050 due to the direct impact of its activity. To do so, it will also align loan and loan books with this goal, in line with the more ambitious goals set by the Paris Climate Agreement.

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Sustainable products

The transition to a more sustainable and inclusive economy in line with the Sustainable Development Goals offers new windows of opportunity to deliver innovative products and services that, in addition to being profitable, generate a positive impact on our community and environment. Bankinter offers a wide range of sustainable products:

Bankinter Sustainability Fund. This fund invests in equities included in the main social and environmental responsibility indexes. At the end of 2021, it had assets of more than 55 million euros and returns of 27.15%.

Eficiencia Energética y Medio Ambiente fund. This 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. At the end of 2021, it had assets of more than 70 million euros and returns of 48.39%.

Bankinter Ethos fund. The fund promotes social and environmental issues applying financial and non-financial criteria based on an exclusion strategy consistent with principles inspired by the social doctrine of the Catholic Church, in accordance with an ethical approach defined by an ethics committee. Its assets amounted to 19.65 million euros at the end of the year.

Responsible investment funds. The bank makes more than 1,900 internationally prestigious funds that invest with responsible criteria available to its customers, with assets of more than 7,860 million euros. 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), with a value of 50 million euros. This was registered by the company Grenergy Renovables and launched in 2019. Bankinter also coordinated a promissory notes programme in a green financing framework for this company in 2021 (100 million euros).

It has also published a Framework Agreement for green bonds, which is accredited by Sustainalytics (second-party opinion company). January 2020 saw the first issue of these green bonds, amounting to 750 million euros, with a positive environmental impact equivalent to a 267,638 tonne reduction in CO₂ during the last year. The loans subject to financing within the framework of our entity are renewable energy projects (solar, photovoltaic and solar thermal), green buildings (financing or refinancing of residential, commercial and public housing) and green loans.

Green mortgages. In 2021, the bank offered its customers a specific mortgage loan for purchases of new or existing homes with higher energy efficiency ratings. This new product, "Efficient Home Mortgage", broadens the range of mortgages that emphasise energy efficiency and sustainability as priorities and steps up our offering of sustainable products. This mortgage provides finance for both new and existing properties that are highly energy efficient. Customers applying for this type of mortgage loan have the arrangement fee waived. The product includes fixed- and variable-rate mortgage loans and developer loans. New properties must have category "A" energy rating and second-hand or refurbished properties an "A" or "B" rating. With this, the bank gives preferential treatment to mortgage loans that finance highly Efficient Home; i.e. those that consume little energy, thereby reinforcing our range of sustainable initiatives.

At the end of the reporting period, the production for the Efficient Home Mortgages product was:

- Developers: 85.9 million euros drawn in 44 transactions (initial limit: 254.1 million euros from 48 transactions, 4 of which have not yet been drawn down)
- Subrogations (from Developers): 11.28 million euros drawn in 58 transactions.

Green/sustainable loans. Two types of loans are offered for sustainable financing for companies.

Green loans finance activities with a positive environmental impact, in accordance with the international "Green loan principles" standard. These are validated by an external body. And loans linked to sustainability. Unlike Green loans, the sustainability criteria does not relate directly to the use of the loan funds, but to the company's overall strategy in terms of sustainable development and compliance with ESG (environmental, social and/or governance) criteria, which affect the prices of the loans. The green loans and loans linked to sustainability criteria extended in 2021 amounted to over 190 million euros.

Financing of renewable energy projects. Over the course of 2021, the bank was involved in financing numerous renewable energy projects, including photovoltaic, wind, solar thermal and cogeneration projects.

Bankinter's financing of renewable energy projects currently amounts to 780 million, almost 80% of the risk portfolio in the electricity and gas sector.

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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 was launched at the end of 2019 with capital of 253.3 million euros. It invests in infrastructure (such as renewable energy, transport and social infrastructure). The VStudent fund focuses on student accommodation and was launched with committed capital of 153.4 million euros.

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. It was created at the end of 2020 and had net assets of 19.65 million euros at the end of the year.

Popcoin sustainable portfolios. Bankinter's digital investment manager launched its first sustainable portfolios in 2021 to invest in funds from the world's leading management companies that apply environmental, social and good corporate governance (ESG) criteria. These portfolios achieved returns of up to 15.5% (Global Dynamic profile), 11.1% (Global Moderate profile) and 8.01% (Global Conservative profile) in the year.

Green hydrogen financing agreements. Bankinter has signed agreements with business associations that aim to foster access to financing for their member companies to develop projects related to the production, marketing and distribution of hydrogen as a form of sustainable energy. The bank has provided financial coverage for investment amounting to almost 800 million euros.

Financing of energy efficiency activities for homeowner associations. Financing pre-awarded by Bankinter Consumer Finance through the digital tools made available to property managers linked to IESA, which facilitates achievement of the ambitious objectives set by EU, national and regional authorities for improving the energy efficiency of buildings. The activities financed include: refurbishment of facades, repair of roofing, improvement of building insulation and replacement of windows, replacement of boilers, LED lighting and installation of energy cost allocators, installation of distributed generation and solar thermal equipment, installation of electric vehicle charging points in communal garages and work to improve accessibility for buildings.

- The credit facility for homeowner associations arranged 321 transactions with a value of 16.8 million euros since its launch.
- Under the integrated solution for the platform for managers (IESA): 209 transactions with a value of 6 million euros.

Investment in venture capital firms and 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).

InnovFin agreement. The bank continues to support the InnovFin2014 programme, under the framework of Horizon 2020. Its aim is to support the financing of Spanish companies with fewer than 500 workers that conduct research and innovation activities and projects. 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 56.1 million euros were issued through this system in 2021.

Avant Money has partnered with An Post Money to launch a new green loan product. These loans are for energy refurbishment of residential homes across Ireland, to install energy efficiency measures and small-scale renewable energy installations, generating positive environmental impacts and extending the life of the buildings.

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Bankinter Social Investment Strategy

Social action is part of the group's commitment to local communities



Social action forms part of the group's commitment to the local communities where it has operations, entailing either direct actions or collaboration with organisations that work on developing social and environmental projects.

The main objective of Bankinter's social action strategy is to facilitate financial integration for everyone, regardless of their abilities, integrating them into the bank's daily activities and eliminating any types of barrier that might hinder this. To achieve this objective, Bankinter runs several financial education programmes that form part of its accessibility strategy.

Through its financial education, Bankinter provides training each year for people with disabilities, the elderly, people at risk of social exclusion and young people, through agreements with organisations in the voluntary sector. This training is delivered by bank employees, who offer the added value of being experts in the field and having specific training for this type of technical volunteering.

In the relationship with communities and social organisations, the bank studies social and environmental projects that may be related to its sustainability strategy, seeking to support them through measures such as alliances and volunteering programmes. These activities are described below.

Innovation Foundation

Bankinter sponsors Bankinter Innovation Foundation, an organisation whose mission is to drive sustainable wealth creation in Spain and Portugal through innovation and entrepreneurship.

The Bankinter Innovation Foundation is working to transform society through innovation, through the following programmes:

**fundación
innovación
bankinter.**

fundación
innovación
bankinter.

FUTURE
TRENDS
FORUM

Future Trends Forum

The Future Trends Forum is anticipating the trends that will define the near future, working with more than 700 international experts.

The topics analysed during the year included the future of work and digital finance. Webinars were held to promote the "Trust in the digital age" trend and to foster knowledge of the implications and opportunities for workers and organisations in the workplace of tomorrow.

#FutureTalks was launched in 2021. This is an initiative to enlighten Spanish society about the disruptive trends that will mark the future, with international experts.

Nine online events have been held, involving more than 5,500 people from all over the world.



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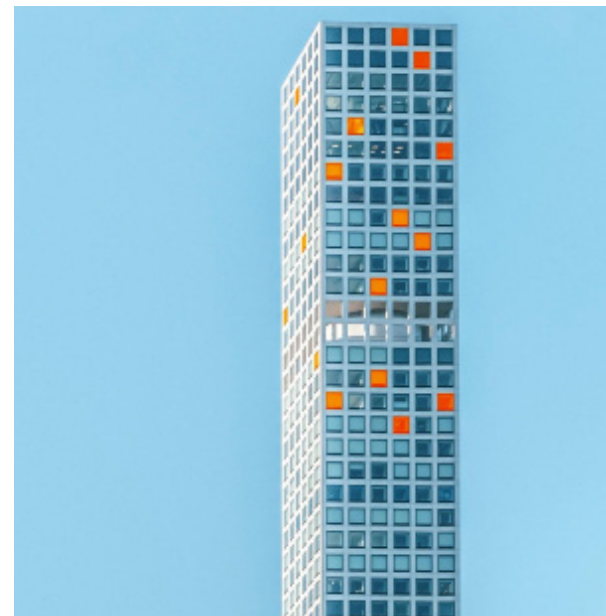
Startups

The Bankinter Innovation Foundation supports entrepreneurs through its Startups programme. This programme includes decision-making tools, such as the Startups Observatory, the Scaleup Spain Network programme and the Venture Capital programme, through which it invests in innovative startups. This programme combines the efforts of the Bankinter Innovation Foundation and Bankinter Risk Capital, using bank funds to invest in the most innovative startups with outstanding value propositions in Spain, Portugal and Ireland.

- Since its launch in 2013, the Venture Capital programme has invested in more than 40 startups, providing the added value of its extensive experience as investors, and its in-depth knowledge of the startup ecosystem.

The Startup Observatory is an initiative created to offer transparency and visibility of the state of investment in Spain in real time, through an interactive tool. - The Scaleup Spain Network is the Bankinter Innovation Foundation's learning programme with Wayra and Endeavor to support and connect scaleups as they mature and transform. There was a new invitation for the programme in 2021 with 13 new scaleups: Ritmo, Climate Trade, Frenetic, Trucksters, Cobee, OpenWebinars, Payflow, IDOVEN, Mlean, Zinklar, Quibim, Mysphera and Coinscrap. During the year, the Foundation also launched the first report on the programme to understand the impact of such startups: 'Impact of scaleups on the Spanish economy'.

The Coffee with Entrepreneurs initiative has been run online since 2020, reaching 633 people in 2021.



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Akademia

Akademia was set up 14 years ago to promote innovative talent at Spain's leading universities.

During the 2020-2021 academic year, Akademia was delivered virtually at 11 universities: Santiago de Compostela University, Comillas Pontifical University, Barcelona University, Valencia Polytechnic University, Salamanca University, Carlos III University of Madrid, Loyola Andalucía University, the Instituto de Estudios Bursátiles, Pompeu Fabra University, Murcia University and Navarra University. This offered the choice of three rounds with different schedules, bringing together students from all of the universities. 143 students were involved, who gave the course a 98% recommendation rate.

The "Digitalisation of the company through artificial intelligence" programme concluded in 2021 with 18 Cre100do companies. A cycle of three sessions was organised with managers on innovation and digitalisation with the Castilla y León Family Business Association.

Cre100do Foundation

CRE100DO is a Foundation that promotes business excellence by grouping outstanding companies in the Spanish middle market to stimulate their growth and cooperation, boosting growth in the Spanish economy and generating a positive impact on society.

Since its inception in 2013 as a programme involving the Bankinter Innovation Foundation, ICEX and the Círculo de Empresarios, this has developed into a Foundation bringing together 125 companies with turnover of nearly 16,500 million euros, the equivalent of 1.5% of GDP, which generate 85,000 direct jobs and over half a million indirect jobs.

In 2021, CRE100DO had 125 participating companies, with AUSA, Cafento, Campus Training, Dentaïd, Erum Group, Gullón, Kids&Us, Logifruit, Perfumes y Diseño, Prim, Velilla Group and Vitrinor joining the programme during the year.



Strategic alliances

In the communities in which it operates, Bankinter has established 14 strategic alliances with voluntary organisations, receiving support from them to identify and respond to local needs.

As a result of this dialogue with the voluntary sector, 139 environmental initiatives were assessed in 2021, resulting in 85 collaborations with various non-profit organisations.

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.

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.

Bankinter is a signatory of the CEO's for Diversity commitment with the Adecco Foundation, through which it commits to promotion, innovation and development of business strategies and policies for diversity, fairness and inclusion in Spain.

Bankinter has also signed the Diversity Charter, which aims to promote equality and diversity policies in companies, and is part of the Corporate Excellence – Center for reputation leadership, a business foundation that manages intangible business values.

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 also involved in organising the twelfth Mashumano Youth Awards, which recognise entrepreneurs who provide innovative, sustainable and socially responsible solutions. Bankinter supports the 'Projects to improve quality of life and integration for vulnerable people' category.

Bankinter is involved in and co-finances the Green and Circular Weekends organised by the Enviroo employment portal. These are events that facilitate meetings among young entrepreneurs involved in green projects.

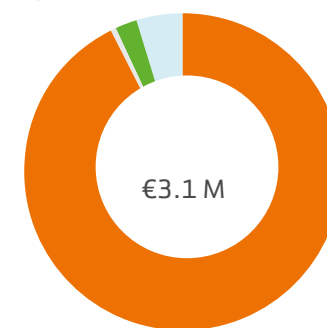
In 2021, the tenth 'Involvement and Solidarity' programme took place, an initiative that finances 15 social projects through the fees from the Bankinter Solidarios card. This involves several of the bank's stakeholders – customers using the Bankinter Solidarios visa card and employees – who this year submitted more than 200 projects. The event will take place in 2022.

Bankinter is a participant in the 'Integra Commitment', developed by the Integra Foundation, which facilitates employment for groups at risk of social exclusion, through training in employability workshops in which bank volunteers act as trainers.

Bankinter is a participant in the Ministry of Employment and Social Security's Young Employment and Entrepreneurship Strategy for improving the employability of young people.

As part of its management of social action, the group has developed metrics to measure the business and social benefits of its action programmes. 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. In 2021, the Bankinter group allocated more than 3.1 million euros (3.7 million euros in 2020, which includes figures for the Línea Directa Aseguradora Group) to social initiatives, according to calculations using this methodology.

Social investment (LBG)



- Cash 92.2%
- Time 1%
- In-kind 2.2%
- Management costs 4.6%

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Corporate volunteering

Bankinter group 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 this contributes to communities, this programme strengthens the bank's organisational culture internally and develops new competences, skills and sensitivities in our volunteers.

In 2021, more than 40 diverse volunteering actions were carried out, including financial education, social and sports actions).

The bank understands that the improvement in citizens' financial culture contributes to economic growth and promotes stability and confidence in banks and the financial system in general. In support of the effort, Bankinter participates in various initiatives aimed at improving the public's understanding of financial concepts, products and services.

For young people, the seventh "Your Finances, Your Future" programme was implemented throughout Spain. This was promoted by the Spanish Banking Association (AEB) in collaboration with the Junior Achievement Foundation, to foster financial education among secondary school and college students.

Financial education workshops were held and social and environmental volunteering days took place with the A La Par Foundation, for groups at risk of exclusion, such as people with disabilities.

Bankinter also collaborated with the NGO Adopt a Grandparent, providing company for lonely elderly people by telephone. It is also mentoring unemployed elderly people to facilitate their reincorporation into the job market, working with the Más Humano Foundation's Savia Twins programme.

Bankinter was involved in a pro-bono volunteering initiative with the NGO It Will Be, for which it provided financial advice.

Employees in all of the group's organisations took part in the "A smile for Christmas" campaign, organised by the NGO International Cooperation, through donations of new toys for children of destitute families.

Due to the restrictions in response to the COVID-19 pandemic, face-to-face volunteering days were replaced by online activities, as far as possible, during the year. This limited participation to 15% of employees in 48 programmes, benefitting more than 21,000 people.

More than

40 corporate
volunteering actions took
place in 2021

The bank believes that improving citizens' financial culture contributes to economic growth and promotes stability and confidence in banks and the financial system in general.



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Subcontracting and suppliers

Maximising efficiency in procurement processes

The procurement process at Bankinter has been transformed in recent years as a result of the guidelines and requirements of European regulation and supervision organisations, in particular, the European Central Bank, the European Banking Authority (EBA) and the Single Resolution Board.

Before filing a request with the Procurement department and launching the request for proposal (RFP), applicants must follow the procedures recommended by Internal Audit, Technological Risks, the Data Protection Office and those included in the bank's procurement and outsourcing policy. They must also obtain validation from Technical Risks and the head of Data Protection, in addition to express authorisation from the Outsourced Services Management Area if a new service is involved.

To enhance the efficiency of procurement processes, the following initiatives have been undertaken in recent years:

- Availability of a single contract repository, enhancing the professionalism of physical safekeeping and the digital management of documents with an indexing and search system.
- Consolidation of a contracts management service that formally arranges the agreements awarded under the various contracts/documents. This makes it possible to standardise and apply strict criteria in the construction of documents, communication with stakeholders and evidence of validation.

- Continuous improvement of processes and use of management tools for the purchase process and control and monitoring of services. Among the action taken, improvements continue to be made to the procurement platform implemented in 2017, and the outsourced services management policy is continuing to be implemented in an internal tool.
- Incorporation of new functionalities in information systems that manage the supplier certification process.
- Control of the group's critical functions, according to regulatory requirements for outsourced services.
- Inclusion of all the bank's activities, and those of its subsidiaries, in the integrated expenditure management circuit, with a particular emphasis on the inclusion of the EVO and Avantcard businesses.
- In 2020, a new policy was published regulating procurement processes for goods and services in the banking Group. The procedures and information needed for these acquisitions have been adapted to the new regulations issued by the regulator.
- The process for requesting requirements from applicants has also been improved, with a new flow of forms to support the applicant in registering requests, avoiding duplication of information and enabling reuse of data for renewals and extensions of some processes



- In 2021, changes were made in the organisation to accommodate a new department to monitor and control end-to-end contracting processes, taking the actions needed to make such processes more efficient and prioritising those considered critical from either the regulatory or business points of view.
- In 2018, Bankinter's board of directors 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 suppliers and establishes the ethical values that have traditionally existed in relations with them.

The purpose of this code is to ensure that all suppliers and subcontracted companies comply with the stipulations of the United Nations Global Compact, encourage sustainable development, ensure human rights, observe employment regulations and promote environmental protection. In short, it aims to make sure that suppliers share and respect the ethical values that guide the conduct of the group and its employees.

The principles described in this code of conduct are a key element in supplier selection and assessment, and breaches can lead to the termination of their contracts. Consequently, non-financial criteria – environmental, social and governance – have been included in the supplier assessment and certification procedure.

Bankinter has also included a clause in its contracts with suppliers relating to ethical and social management, whereby they undertake to prevent corruption, ensure data protection, avoid child labour and guarantee stability of employment, among other requirements.

Bankinter has incorporated social, environmental and human rights criteria into its supplier approval processes. Since 2018, all new suppliers are assessed against these non-financial criteria. At the end of 2021, 90.4% of the entity's approved suppliers (62.2% in 2020) had been evaluated under ESG criteria.

There are no supervisory systems, audits or audit results beyond the assessment and approval of suppliers, but the group is in the process of adopting these mechanisms.

Procurement processes exceeded 524 million euros in 2021 (383 million euros in 2020) with more than 1,215 tender processes (1,140 in 2020)



Bankinter has a code of conduct for suppliers which has been approved by the board of directors



Customer service department

A service that acts independently

The Customer Service Department is available to Bankinter Group customers and users to file any complaints or claims about transactions and banking and financial services stemming from their relationship with the entity. This service operates independently, applying regulations related to customer protection, regulators and best practices, and is separate from commercial services.

Bankinter Group customers and users can send their complaints and claims to the CSA through the various communication channels (e.g. online, e-mail, mobile, branch office, telephone). The Customer Service Department guarantees appropriate attention, resolution and communication to customers.

In addition, Bankinter has an independent Customer Ombudsman, who is equally competent in resolving claims by customers with full autonomy in its decisions, which are binding for the Entity.

The activities of Bankinter's Customer Service Department and Customer Ombudsman are carried out in accordance with article 17 of Ministry of Economy Order 734/2004, of 11 March. In accordance with this article, following is a summary of their activity.

Customer Service Department activity report.

In 2021 the Customer Service Area handled 29,572 cases (21,154 in 2020), of which 3,737 were complaints (12.64%) and 25,835 were claims (87.36%). 83.90% (72.75% in 2020) of the claims received were resolved in favour of Bankinter and 16.10% in favour of the customer (27.25% in 2020).

39.2% of cases were resolved within 48 hours (42% in 2020). The average resolution time in 2021 was 10.9 days.

Further improvement was made during the year to the systems used to enhance the efficiency of the department's performance. The CSA has a specific tool for following up and assessing the reasons for the complaints and controlling the customer response time. Meanwhile, the various websites were modified to make it easier for customers to send documents so purpose of the complaint could be completed.

In 2021, the training plan proceeded as scheduled. The main purpose is to ensure that managers in the CSA have the knowledge needed to perform their functions in controlling the bank's activities so that they comply with prevailing regulations. Training on banking transparency, products, services and risk transactions (anti-money laundering and terrorist financing).

Bankinter Luxembourg received five claims in 2021, all of which were resolved in favour of the bank.

EVO Banco's Customer Service Area handled 3,606 cases in 2021 (3,335 in 2020). Of the claims handled in those 12 months, 50% were favourable to the customer and 50% to the bank. The average resolution period was 15 days (13 days on average in the previous year).

Avant Money received 559 complaints (544 in 2020), of which 504 (486 in 2020) were resolved in favour of the bank and 55 (39 in 2020) in favour of the customer

Customer Ombudsman activity report

In addition to the Customer Service Department, customers and users can file claims and complaints with a competent and independent body.

The customer ombudsman, José Luis Gómez-Dégano y Ceballos-Zúñiga, handles claims where customers or users disagree with the Customer Service Department's decision or they prefer to contact this body directly.

The Customer Ombudsman handled 737 cases in 2021 (481 in 2020). Of these, 8 were complaints (5 in 2020) and 729 were claims (476 in 2020). Of these, 152 were resolved in favour of the customer (20.85%) and 577 in favour of the bank (79.15%).

Banco de España (Spanish National Central Bank)

Banco de España handled a total of 324 cases in 2021, of which:

- In favour of the bank – 80 (34 in 2020)
- In favour of the customer – 43 (49 in 2020)
- Uncontested – 56 (62 in 2020)
- No competence – (4 in 2020)
- Withdrawn – 14 (7 in 2020)
- Pending resolution – 101 (102 in 2020)

93 Banco de España cases were managed for EVO Banco in 2021 (79 in 2020). of which:

- In favour of the bank – 13 (18 in 2020)
- Against the bank – 18 (17 in 2020)
- Uncontested – 17 (18 in 2020)
- Rejected/no competence – 21 (9 in 2020)
- Pending resolution – 24 (17 in 2020)

Spanish National Securities Market Commission

During 2021, 37 claims were filed through the Spanish National Securities Market Commission (CNMV in Spanish), with 26 being resolved (14 in 2020). Among the resolved claims:

- Against the bank – 16 (10 in 2020)
- In favour of the bank – 9 (4 in 2020)
- Archived – 1 (0 in 2020)
- Pending – 11 (19 uncontested in 2020)

In the case of EVO Banco, two claims were filed through the Spanish National Securities Market Commission in 2021 (one in 2020). The bank did not contest either of these and this was ratified by the CNMV.



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Data protection

Compliance with privacy requirements

In recent years, Bankinter Group has implemented the General Data Protection Regulation 2016/679 (GDPR) and the new Organic Law 3/2018, on the protection of personal data and guarantees of digital rights, as part of its commitment to ensuring the privacy of its customers, employees and suppliers, and the confidentiality of transactions.

In compliance with the requirements of these regulations, Bankinter Group has a governance framework for privacy and data protection to guarantee the right to privacy of customers, shareholders, employees and suppliers (the "data subjects"). Bankinter has appointed a data protection officer for Bankinter and the group's subsidiaries that process personal data.

In 2019, the board of directors approved Bankinter Group's privacy policy. The most significant changes this introduced are:

- 1) The general privacy principles that Bankinter Group must uphold are defined more clearly.
- 2) The processing carried out by Bankinter Group is described in greater detail.
- 3) The organisational structure of Bankinter Group with regard to privacy is set out. This structure is made up of:
 - i) Privacy committee
 - ii) Corporate privacy and data protection officer
 - iii) Privacy and data protection officers of the Bankinter Group companies

As the data controller, Bankinter Group complies with the principle of transparency and informs the data subjects of: the processing it performs of their personal data; the legal basis for this processing; where and how they can exercise their rights of access, rectification, deletion, opposition, portability and limitation; the recipients of the data; and how to contact the data protection officer.

The group guarantees at all times that personal data and transactions are transmitted using suitable, reliable and secure channels, preserving their integrity and confidentiality.

In addition, all contracts include a clause with basic information on personal data processing, informing the data subject in a transparent and detailed manner of all processing of their data, where they can exercise their rights, the recipients of the information, etc.

All employees are obliged to take a compulsory course on privacy and data protection. During 2021, ad hoc training sessions were carried out in various areas of the bank (including CRM, SAC, the commercial network and Bankinter Consumer Finance).

EVO, as a Bankinter Group company, is included in the scope of the group's privacy policy. It also has additional policies related to data protection and ARCOLP, the length of time that documents are kept, impact evaluations, reporting security incidents and processing logs. Data protection training is mandatory for all employees.

Avant Money has its own privacy policy, which is reviewed annually. It also training plans on this subject for all of its employees.

At 2021 year-end, no significant penalties had been imposed on Bankinter Group regarding data protection.

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Quality

On the side of customers

After a highly difficult 2020 as a result of the exceptional circumstances caused by the COVID-19 pandemic in all the world's economies, in 2021 - with the global health crisis still ongoing with consequences in all areas - Bankinter maintained approachable management for its customers and their businesses, transactions and investments, while pursuing its firm commitment to digitalisation and continuous improvement.

Quality is a key factor for Bankinter in the continuous improvement of the care, products and services it offers to its customers. In 2021, 28.3% of the bank's customers were surveyed to find out about their experiences in their relationship with the bank, through 63 measurements of processes and services. In addition, 104 internal processes were measured to determine the degree of employee satisfaction with the bank's Central Services. These measurements enabled the bank to gauge the perceptions of its customers and employees, which it communicated to areas of the bank to foster improvement initiatives for their processes and so they could adapt their range of products and services to meet the expectations of customers in the commercial networks and Digital Banking, and in the Business, Technical Support and Operational Support areas.

The excellent rate of customer and employee participation in the bank's ongoing surveys is vital for improving quality management and pursuing excellence in service. The results for 2021 show improvements in the quality perceived by customers and the internal quality perceived by employees.

The quality of the entity's internal processes is evaluated systematically through ongoing studies and measurements, to understand employee opinions about the quality provided by Central Services. The objective of this is to identify priority action and foster improvement to meet their needs and promote service excellence.

The thousands of opinions and suggestions received led to the implementation of 346 initiatives aimed at streamlining processes, improving procedures, customer information, product design and commercial support and advice, and promoting internal training. The information provided by the internal surveys (which are performed regularly and receive an excellent response from the bank's employees) is an essential source of information for continuous improvement of Central Services.

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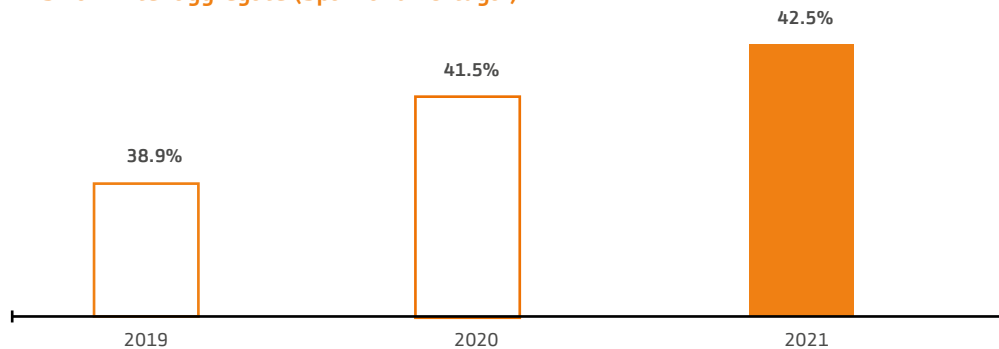
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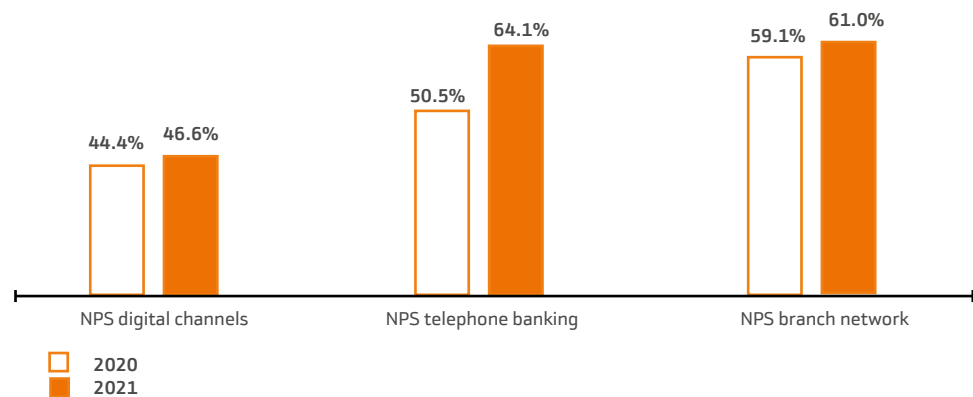
Customer quality

The aggregate index of quality perceived by customers in Spain and Portugal in 2020 stood at 42.5% (41.5% in 2020), measured through the Net Promoter Score (NPS) index. The NPS score for Spain was 42.9% (42.1% in 2020), an improvement in the quality perceived by customers in all of the bank's commercial networks. The customer NPS score for Bankinter Portugal was 36.2% (34.4% in 2020).

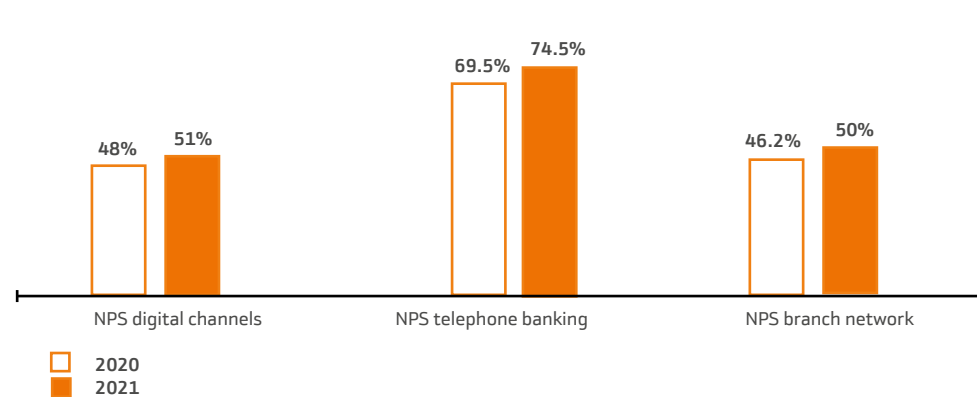
NPS Bankinter aggregate (Spain and Portugal)



NPS by channels, Spain



NPS by channels, Portugal

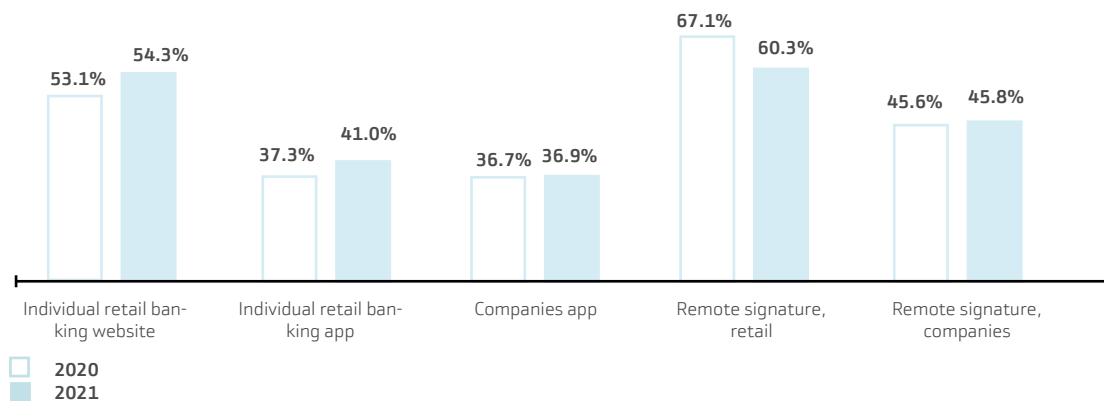


Digital banking

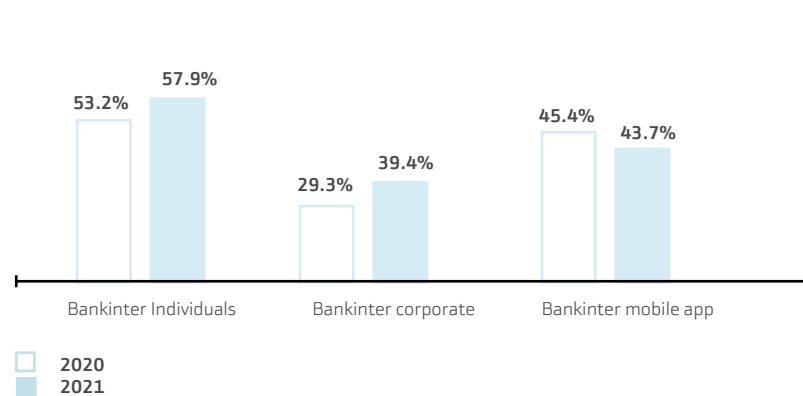
In 2021, 28 processes in the bank's websites and apps were measured (+27.3% compared to the previous year), providing very important customer information for streamlining processes, improving design, expanding functionality and improving their operation. This gives technical teams real-time information on customer

perceptions, reasons for dissatisfaction and customer suggestions to improve the functionality, operations and functioning of the processes on Bankinter's websites and apps. The satisfaction of customers who use our platform and websites continues to increase, with an aggregate NPS of 46.6% (+5%). As part of the transformation of internal processes, 64 processes that provide operational support to commercial networks are measured in real time.

NPS digital channels, Bankinter Spain



NPS digital channels, Bankinter Portugal



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Internal quality

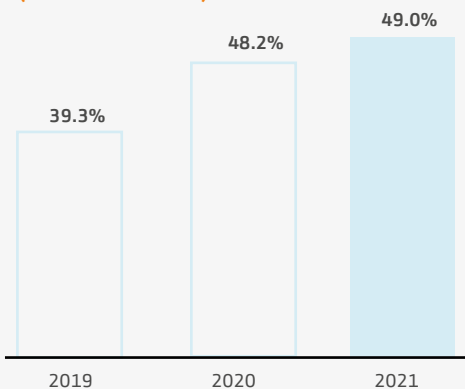
The bank's Central Services made significant efforts to support the commercial network, facilitating its work so that it can provide the best possible service to customers, especially during the pandemic: adaptation of facilities; information and support for employees in the commercial network for advising customers; agility and flexibility in financing and processing ICO loans; technological support from the Systems area for all areas of the bank; and successful operation at the customer and employee level. In 2020 and 2021, several focused studies assessed the measures adopted to mitigate the impact of COVID-19 and collect suggestions and initiatives.

The degree of satisfaction with Central Services remains on a very positive trend, standing at 49% in Spain.

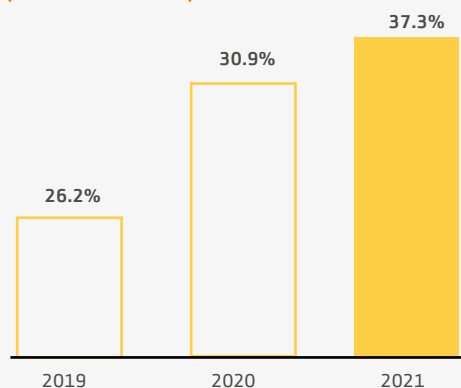
The overall satisfaction level in Bankinter Portugal was 37.3% (30.9% in 2020), also remaining on a very positive trend.

In 2021, real-time measurement of the most important operational processes was implemented with centralisation of administrative tasks, to free up time for commercial teams. The objective of this is to accelerate digitalisation of processes, simplifying processes in all areas so that the commercial network can provide a better service to customers.

Internal quality, Spain (cumulative data)



Internal quality, Portugal (cumulative data)



Objective quality compared to our peers

The objective quality of Bankinter Spain's branches received a score of 8.2 out of 10 (8.3 in 2020), compared to 7.6 for the sector as a whole (7.6 in 2020), according to the EQUOS study, performed using the mystery shopping technique in around 4,000 bank branches across the country.

The score for Bankinter Portugal was 92.5 (92.2% in 2020), 9.1 points above the sector average for the country.

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Objectives 2022

In 2022, the Quality area will continue working on:

- expanding the measurement of Digital Banking and Central Services processes to improve the customer and employee experience.
- supporting branches and centres with low ratings to achieve quality levels that meet the expectations of their customers, by helping them with the design of their offerings and improvement initiatives.
- sharing the best practices of the offices and centres with the best NPS results with all teams.
- improving and streamlining the quality information provided to the bank's teams to improve management of their results.
- automating all quality feedback (from customers and employees), to speed up identification of improvement opportunities.
- develop digitisation processes, simplifying processes in all areas and increasing efficiency (Portugal).
- managing the processes with the lowest ratings to implement improvement plans.

EVO

EVO has a Customer Laboratory that monitors its reputation with customers by carrying out annual satisfaction surveys and making recommendations.

A Betatesters programme has been set up with approximately 3,000 customers to test all new features in the mobile app a month before other users, to check their opinions and verify developments.

Permanent real-time consultation software has been introduced to gather feedback and opinions from customers on all the questions asked. This software is integrated into the app, which is the main channel for contact with our customers.

Active listening is carried out with customers and the following customer satisfaction surveys are conducted:

1. Seven days after opening an account to assess the degree of satisfaction with the registration process.
2. 6 months and then 12 months later to assess the overall degree of satisfaction with EVO, particularly its main products and services.
3. Real-time satisfaction surveys online when a customer uses one of the 'trigger' services.
4. Surveys when customers call the call centre.
5. Surveys to rate satisfaction with the Youth Account.
6. Active listening on social media to identify customer pain points and try to solve them as quickly as possible.

A quality committee was set up at the end of 2021. This is led by EVO's Marketing area and involves all the members of the executive committee. The committee meets on a monthly basis. The committee will review the following points in 2022:

- Quality metrics: overall NPS, transactional NPS, relational NPS, new customer NPS, channel NSI, competitive benchmark + emoinsight (an indicator of the emotions generated among our customers)
- Management of complaints and incidents Seeking to transform complaints and incidents into opportunities, changing customer perceptions and improving satisfaction and loyalty.
- Churn prevention metrics: Number of active customers, number of customer drop-outs (deactivated + unsubscribed), customer churn ratios.
- Management of churn and activation

In the last benchmark testing at the end of 2021, EVO was among the top three banks for the highest customer satisfaction scores, with the third best banking recommendation level in Spain.

Avant Money

Avant Money has a central quality control team with the sole responsibility of active listening and analysing accounts to ensure quality and the highest standards.

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Tax practices and benefits

Ensuring responsible compliance with tax regulations while respecting the social interest

Bankinter group has a tax strategy, which it publishes on its corporate website. This was approved by the board of directors in 2015 and includes the objectives, principles, good tax practices, governance, monitoring and control of tax risks, and adherence to the code of good tax practices.

The ultimate goal of this strategy is to ensure responsible compliance with tax regulations while respecting corporate interests and supporting the group's business strategies. Within the framework of its social and corporate responsibility, Bankinter Group recognises the social value and worth of the tax system. It therefore aims to ensure that its tax function serves the group's corporate interests and those of its stakeholders, and respects the value this adds to the trust of the local community in which it operates.

Bankinter's guiding principles include the entity's commitment to complying with the legal, statutory and regulatory tax provisions applicable in the jurisdictions where it performs its business, and with all applicable taxes. The group promotes a climate of good faith, transparency, collaboration and reciprocity in its relations with the tax authorities.

The group has a tax risk control policy, which is a non-delegable power of the board of directors. This is implemented through the Office of the General Secretary and the Tax Advisory Department (which is assigned and subordinate to the Office of the General Secretary). The objective is to assess tax risks responsibly using defined parameters, to prevent and minimise significant tax risks.

Bankinter integrates tax matters into its risk control and management system in order to be able to evaluate and manage the tax risks that arise in its activities efficiently. The audit and compliance committee, in accordance with the provisions of its Rules and Regulations, supervises the effectiveness of the tax risk management and control system and reports regularly to the board of directors.

No tax risks materialised during the year that might have affected the business objectives.

A number of tax proceedings affecting Bankinter group are currently pending, as the bank's income statements have been challenged before the tax appeal boards and other competent bodies. The Bankinter group's Legal Report shows there are adequate provisions in place for any tax-related liabilities that might derive from these proceedings, based on figures for the end of the 2021 reporting period and previous years.

Bankinter Group has undertaken to follow good tax practices (as described in its strategy) in its activities that lead to the reduction of significant tax risks and the prevention of behaviour that could generate them. These include the total availability of the group to the tax administration in terms of disclosure requirements and collaboration in detection, identification and resolution of fraudulent tax practices in the markets where it operates.

Bankinter Group's annual public reports disclose the location and tax address of its companies and subsidiaries, the purpose of which is to provide services to customers residing in these locations, issue debt or carry out securitisations, and under no circumstances to avoid tax obligations.

The Bankinter Group does not have a presence or perform any activities in countries classified as tax havens, as stated in its tax strategy and policy, and in the tax transparency report submitted to the tax authorities (AEAT in Spanish).

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As already mentioned, Bankinter has signed the Code of Good Tax Practices, which is promoted by the Spanish tax authorities, which contains recommendations that can be voluntarily assumed by the authorities and entities that adhere to the Code. This is aimed at improving the application of the tax system with legal certainty, reciprocal cooperation based on good faith and legitimate expectations, and the application of responsible tax policies that are approved by the boards of directors.

Bankinter Group has strengthened its reporting transparency practices, publishing its total tax contributions, broken down by type and geographical area. Bankinter Group did not receive any subsidies or public aid in 2021.



For more information, see notes 17 (Tax assets and liabilities) and 42 (Tax situation) of Bankinter Group's Legal Report. The Corporate Governance Report provides more detailed information on the tax risk management system.

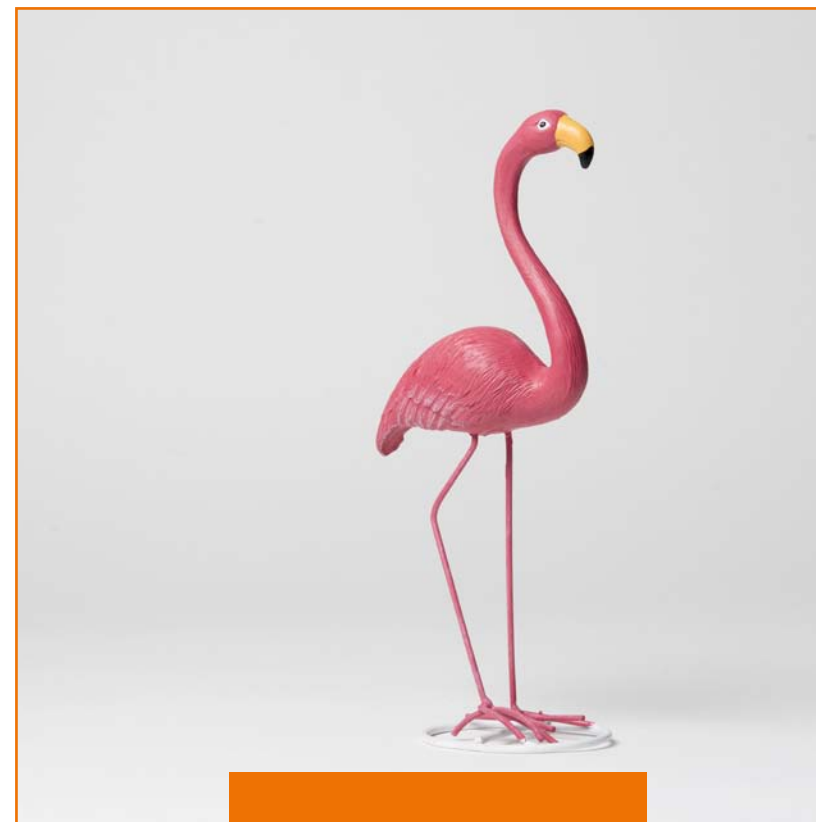
Distribution of income tax paid (thousands of euros) Figures at 31 December 2021

	2021	2020
Total income tax paid in 2021 in Spain*	344,066.9	98,941.1
Total income tax paid in 2021 in Portugal	7,574.8	20,255.5
Total income tax paid in 2021 in Luxembourg	-	-
Total income tax paid in 2021 in Ireland	1,419.6	1,616.0
Total income tax paid in 2021 by the consolidated Bankinter Group*	353,061.3	120,812.6

* Information for 2020 includes the Linea Directa Aseguradora Group in Spain

Gross profit (in thousands of euros).

	2021	2020
Spain	1,427,460	359,160
Luxembourg	7,184	4,380
Portugal	50,265	45,132
Ireland	15,716	11,840
Total	1,500,804	420,512



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Country-by-country information for 2020

The jurisdictions in which the Bankinter Group performs its main activity are set out below. The amounts are in euros and relate to financial year 2020.

The main companies in the Bankinter Group and their main activities are listed in the consolidated financial statements for 2020.

The country-by-country information is reported in aggregate terms. This means there are some differences to the group's consolidated annual financial statements due to consolidation adjustments and elimination of intragroup transactions. Dividends from other member companies are excluded from the figures for income and pre-tax profit, in accordance with the provisions of the OECD's report and guidelines on the preparation and presentation of country-by-country reporting (BEPS Action 13).

With regard to the number of employees, this report includes the average workforce for the year as per Order HFP/1978/2016 of 28 December, approving the country-by-country information declaration (form 231).

COUNTRY	AVERAGE WORKFORCE		INCOME		PBT/LOSSES	INCOME TAX PAID	INCOME TAX ACCRUED	DECLARED CAPITAL	UNDISTRIBUTED PROFIT	TANGIBLE ASSETS AND REAL ESTATE INVESTMENTS (EXCEPT CASH AND CREDIT RIGHTS)
		OF THIRD PARTIES	OF ASSOCIATED COMPANIES	TOTAL						
SPAIN	7,561	3,003,855,169	328,150,962	3,332,006,131	426,543,581	98,941,058	95,154,818	1,906,609,687	2,582,222,095	552,803,841
PORTUGAL	801	146,181,403	4,011,238	150,192,641	31,925,937	20,255,537	11,378,808	0	4,620,843	31,175,986
LUXEMBOURG	31	15,148,927	778,093	15,927,020	4,181,952	0	56,750,100	0	6,465,118	785,716
IRELAND	251	60,427,546	0	60,427,546	11,839,773	1,616,000	1,499,000	18,125,002	29,571,349	160,304
TOTAL	8,644	3,225,613,045	332,940,294	3,558,553,338	474,491,243	120,812,595	108,032,626	1,981,484,789	2,622,879,405	584,925,847

Appendix I: Requirements of Law 11/2018 regarding non-financial and diversity information

Requirements of Law 11/2018 regarding non-financial and diversity information					
AREAS	Content	Material topic in the Company's materiality analysis	Scope/boundary	*GRI standards/ Other related regulations	Page/section of the document
Business model	Brief description of the group's business model, including: 1) its business environment 2) its organisation and structure 3) the markets in which it operates 4) its objectives and strategies 5) the main trends and factors that may affect its future development	Yes	Bankinter group	102-2/102-6	Business model Note 49 to the annual financial statements (Information by segments)
Policies	A description of the policies that the group applies to these matters, including: 1) the due diligence procedures applied to identify, assess, prevent and mitigate risks and their significant impacts 2) the verification and control procedures, including the measures taken	Yes	Bankinter group	103 Management approaches for each area	Risk management Climate change risk Emerging risks Other ESG risks Sustainability management Environmental issues Social and personnel issues Human rights The fight against corruption and bribery Society
Short-, medium- and long-term risks	The main risks in relation to matters linked to the group's operations, including, where relevant and proportionate, its business relationships, products or services that are likely to cause adverse impacts in those areas, and * how the group manages these risks * explaining the procedures used to detect and assess them according to national, European or international reference frameworks for each topic * Include information on the impacts detected, with the related breakdown, in particular on the main short-, medium- and long-term risks.	Yes	Bankinter group	102-15	Risk management Climate change risk Emerging risks Other ESG risks Sustainability management Environmental issues Social and personnel issues Human rights The fight against corruption and bribery Society
KPIs	Non-financial key performance indicators that are relevant to the particular business activity and that meet criteria of comparability, materiality, relevance and reliability. * To facilitate the comparison of information, both over time and between entities, certain standards for non-financial key performance indicators that may be generally applied and that comply with the guidelines of the European Commission in this regard and the <u>Global Reporting Initiative standards</u> are used. The national, European or international framework used for each area must be specified in the report. * The non-financial key performance indicators must be applied to each section of the non-financial statement. * These indicators must be useful, taking into account the specific circumstances that are consistent with the parameters used in their internal risk management and assessment procedures. * In any case, the disclosures must be accurate, comparable and verifiable.	Yes	Bankinter group	Key performance indicators of each area	Risk management Sustainability management: Relevant indicators Environmental matters: emissions tables, energy, water, paper, waste Social and personnel issues: workforce breakdown tables, training, selection, performance, absences, remuneration. Human rights The fight against corruption and bribery: internal audit control, professional ethics, AML training, contributions to foundations Society Society Commitments to sustainable development Society: Customer Service Area/Quality/Data protection

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AREAS	Content	Material topic in the Company's materiality analysis	Scope/boundary	*GRI standards/ Other related regulations	Page/section of the document
Environmental matters	Global environment				
	1) Detailed information about the <u>current and foreseeable effects of the bank's activities on the environment</u> and, where applicable, health and safety, environmental assessment or certification procedures 2) The <u>resources dedicated to environmental risk prevention</u> 3) The application of the <u>principle of precaution, the quantity of provisions and guarantees for environmental risks (e.g. arising from the environmental responsibility law)</u>	YES	Bankinter group	103 Management approaches for each environmental area	Non-financial risk management (climate change risk, emerging risks, other ESG risks) Sustainability management: Sustainability Management Environmental matters: Environment Policy, Climate Change Strategy, Environmental Management Systems
	Pollution				
	<u>Measures to prevent, reduce or repair carbon emissions</u> that <u>seriously</u> affect the environment, taking into account any form of specific air pollution of an activity, including noise and light pollution.	YES	Bankinter group	103 Emissions/ 305-5	Sustainability management: Sustainability Management Environmental matters: Environment policy, Climate change strategy, Eco-efficiency indicators, Management systems. "Environmental aspects are measured and managed using the environmental management systems implemented. However, noise and light pollution are not material aspects for the group's activity."
	Circular economy and waste prevention and management				
	<u>Circular economy</u>	YES	Bankinter group	306-1/306-2	Environmental matters: Waste management
	<u>Waste</u> : Prevention measures, recycling, reuse and other forms of recovery and elimination of waste;	YES	Bankinter group	306-1/306-2	Environmental matters: Waste management
	<u>Actions to combat food waste</u> .	No	Bankinter group		
	Sustainable use of resources				
	The <u>consumption</u> of water and the supply of water <u>according to local restrictions</u> ;	YES	Bankinter group	303-5	Environmental matters: Indicators of eco-efficiency and sustainable resource usage "All the group's water consumption comes from the water network."
	<u>Consumption</u> of raw materials and the <u>measures taken to improve efficiency in their use</u> ;	YES	Bankinter group	301-1/301-2	Environmental matters: Eco-efficiency and sustainable resource usage indicators
	Direct and indirect <u>consumption of energy, measures taken to improve energy efficiency and the use of renewable energy</u> .	YES	Bankinter group	103 Energy 302-1/302-2/302-3 302-4	Sustainability management: Relevant indicators Environmental matters: Eco-efficiency and sustainable resource usage indicators/Indirect emissions table
	Climate change				
	The <u>important elements of greenhouse gas emissions generated</u> as a result of the company's activities, including the use of the goods and services produced;	YES	Bankinter group	103 Emissions 305-1/305-2/305-3 305-4/305-5/305-6/305-7	Environmental matters: Climate Change Strategy, Carbon Footprint
	The <u>measures taken to adapt to the consequences of climate change</u> ;	YES	Bankinter group	103 201-2	Risk management Climate change risk, emerging risks, other ESG risks Environmental matters: Climate Change Strategy, Carbon Footprint
	The voluntarily established medium- and long-term emission reduction targets to reduce greenhouse gas emissions and the measures implemented for this purpose.	YES	Bankinter group	103 Emissions 305-5	Environmental matters: Climate Change Strategy, Carbon Footprint, Environmental Management Systems
Biodiversity protection					
<u>Measures taken to preserve or restore biodiversity</u> ;	YES	Bankinter group	304 Biodiversity	Environmental matters: biodiversity	
<u>Impacts</u> caused by activities or operations in protected areas.	YES	Bankinter group	304-2	Environmental matters: biodiversity	

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AREAS	Content	Material topic in the Company's materiality analysis	Scope/boundary	*GRI standards/ Other related regulations	Page/section of the document
Social and employee-related matters	Employment				
	<u>Total number</u> and distribution of <u>employees by gender, age, country and professional category</u> ;	YES	Bankinter group	103 Employment 102-8/405-1	Social and employee-related matters: contract type and employee breakdown tables
	<u>Total number</u> and distribution of <u>work contracts by type</u> ;	YES	Bankinter group	102-8	Social and employee-related matters: contract type and employee breakdown tables
	<u>Annual average</u> of permanent, temporary and part-time contracts by gender, age and professional category;	YES	Bankinter group	102-8/405-1	Social and employee-related matters: average contract type and average employee breakdown tables
	<u>Number of dismissals by gender, age and professional category</u> ;	YES	Bankinter group	401-1	Social and employee-related matters: Breakdown of dismissals table in Selection section
	<u>Average remuneration</u> and changes by gender, age and professional category or equal value; <u>Salary gap</u> , the remuneration for positions of equal or average work at the company;	YES	Bankinter group	103 Employment, diversity and equality 405-2	Social and employee-related matters: Remuneration tables in Total Remuneration section
	<u>Average remuneration of directors and executives</u> , including variable remuneration, attendance fees, severance payments, payments to long-term savings schemes and any other compensation <u>broken down by gender</u> ;	YES	Bankinter group	102-35/102-36/102-38/102-39	Social and employee-related matters: Remuneration tables in Total Remuneration section
	Implementation of <u>labour disconnect policies</u>	YES	Bankinter group	103 Employment	Social and employee-related matters: Disconnection policies
	Employees with <u>disabilities</u> ;	YES	Bankinter group	405-1	Social and employee-related matters: Employees with a disability
	Organisation of work				
	Organisation of work time	YES	Bankinter group	103 Employment	Social and employee-related matters: Labour disconnection, work-life balance, dialogue with employees policies
	Number of hours of <u>absenteeism</u>	YES	Bankinter group	403-9	Social and employee-related matters: Health and safety committees/Absence tables
	<u>Measures aimed at facilitating work-life balance and promoting co-sharing</u> by both parents.	YES	Bankinter group	103 Employment	Social and employee-related matters: Reconciliation
	Health and safety				
	Health and safety conditions in the work place	YES	Bankinter group	103 Health and safety	Social and employee-related matters: Health and safety, Health and safety committees
	<u>Occupational accidents</u> , in particular their frequency and seriousness. Occupational illnesses, by gender.	YES	Bankinter group	403-9/403-10	Social and employee-related matters: Health and safety committees
	Social relationships				
	Organisation of <u>social dialogue</u> , including procedures for notifying and consulting personnel and negotiating with them;	YES	Bankinter group	103 Labour/ management relations	Social and employee-related matters: Dialogue with employees, Trade union representation
	Percentage of <u>employees covered by collective bargaining agreements</u> , by country;	YES	Bankinter group	102-41	Social and employee-related matters: Collective bargaining agreements
	<u>Balance</u> of collective bargaining agreements, in particular with regard to occupational health and safety.	YES	Bankinter group	403-4	Social and employee-related matters: Collective bargaining agreements
	Training				
	<u>Policies implemented</u> with regard to training;	YES	Bankinter group	103 Training	Social and employee-related matters: Training and talent
	<u>Total number of hours</u> of training <u>by professional category</u> ;	YES	Bankinter group	404-1	Social and employee-related matters: Training and talent
	Universal accessibility for persons with disabilities	YES	Bankinter group	103 Diversity and equality, non-discrimination	Social and employee-related matters: Accessibility
	Equality				
	<u>Measures adopted</u> to promote equal treatment and opportunities for men and women;	YES	Bankinter group	103 Diversity, equal opportunities and non-discrimination	Social and employee-related matters: Equality plans and measures adopted to promote equal opportunities
	<u>Equality plans</u> (Chapter III of Organic Law 3/2007, of 22 March, for effective equality of men and women), <u>measures adopted to promote employment</u> , protocols against sexual and gender harassment, the integration and universal accessibility of disabled persons;	YES	Bankinter group		Social and employee-related matters: Equality plans and measures adopted to promote equal opportunities
The <u>policy</u> against all types of discrimination and, where applicable, for managing diversity.	YES	Bankinter group	Social and employee-related matters: Equality plans and measures adopted to promote equal opportunities, diversity policy		

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AREAS	Content	Material topic in the Company's materiality analysis	Scope/boundary	*GRI standards/ Other related regulations	Page/section of the document
Human rights	Application of <u>due diligence processes</u> with regard to human rights Prevention of risks of human rights violations and, where applicable, measures to mitigate, manage and repair potential abuses committed;	YES	Bankinter group	103 HR 410-1/412-1/412-2	Human rights The fight against corruption and bribery: Professional ethics
	<u>Complaints</u> of incidents of human rights violations;	YES	Bankinter group	406-1	Human rights
	<u>Promotion and compliance with the provisions of the core conventions of the International Labour Organisation</u> related to respect for the freedom of association and the right to collective bargaining;	YES	Bankinter group	406-1	Human rights Social and employee-related matters: Collective bargaining agreements
	Elimination of <u>discrimination in employment and occupation</u> , <u>elimination of forced and compulsory labour</u> and the abolition of <u>child labour</u> .	Yes	Bankinter group	406-1/ 409-1/408-1	Human rights
Corruption and bribery	<u>Measures</u> adopted to <u>prevent</u> corruption and bribery;	YES	Bankinter group	103 Anti-corruption 205-2/205-1/205-3	Fight against corruption and bribery: Institutional framework, Internal Audit control, Professional ethics
	<u>Measures to combat</u> money laundering,	YES	Bankinter group	205-2	Fight against corruption and bribery: Institutional framework, two key areas, Internal Audit control
	<u>Contributions</u> to foundations and NGOs.	YES	Bankinter group	103 Anti-corruption 413-1	Fight against corruption and bribery: Contributions to foundations Commitments to sustainable development: Strategic alliances
Society	The company's commitment to sustainable development				
	The <u>impact</u> of the company's activity on <u>employment and local development</u> ;	YES	Bankinter group	103 Local communities and indirect economic impacts	Society. Commitments to sustainable development: net employment, expenditure on suppliers, implementation of SDGs, sustainable products, social action, strategic alliances
	The <u>impact</u> of the company's activities on <u>local populations and the region</u> ;	YES	Bankinter group	103 Local communities and indirect economic impacts	Society. Commitments to sustainable development: net employment, expenditure on suppliers, implementation of SDGs, sustainable products, social action, corporate volunteering, strategic alliances
	The <u>relationships</u> with the main actors in local communities and the types of dialogue with them;	YES	Bankinter group	102-43	Society. Commitments to sustainable development: implementation of SDGs, sustainable products, social action, corporate volunteering, strategic alliances. Sustainability management Dialogue channels with stakeholders
	<u>Association or sponsorship</u> actions.	YES	Bankinter group	102-12/102-13	Society. Commitments to sustainable development: Strategic alliances
	Subcontracting and suppliers				
	* The inclusion of social, gender equality and environmental issues in the procurement policy; * Consideration of <u>social and environmental responsibility</u> in relationships with suppliers and subcontractors;	YES	Bankinter group	103 Supplier assessment	Society: Subcontracting and suppliers
	<u>Supervision and audit</u> systems and their results.	YES	Bankinter group	103 Procurement practices	There are no supervisory systems, audits or audit results beyond the assessment and approval of suppliers, but the group is in the process of adopting these mechanisms.
	Consumers				
	Measures for the health and safety of consumers;	YES	Bankinter group	103 Customer health and safety, privacy	Society: Quality Society: Customer service The fight against corruption: Professional ethics
Systems for claims, complaints received and resolution	YES	Bankinter group	103 Customer health and safety, privacy 416-1/416-2	Society: Quality Society: Customer service department	
Tax information					
Profits obtained country-by-country Income tax paid	YES	Bankinter group	103 Economic performance 207-4	Society: Tax practices and benefits	
Public subsidies received	YES	Bankinter group	201-4	Society: Tax practices and benefits	

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AREAS	Content	Material topic in the Company's materiality analysis	Scope/boundary	*GRI standards/ Other related regulations	Page/section of the document
Other significant information	Other information on the Company's profile	YES	Bankinter group	102-1 to 102-13	GRI index: Profile of the organisation Introduction Business model
	Corporate governance	YES	Bankinter group	102-18 to 102-39	GRI index: Governance 2021 Annual Corporate Governance Report
	Stakeholder engagement	YES	Bankinter group	102-40, 41, 42, 43, 44	Sustainability management
	Other useful information on preparation of the document	YES	Bankinter group	102-45 to 102-56	GRI index: Practices for preparing reports. Introduction
	European Union Taxonomy	YES	Bankinter group	Regulation (EU) 2020/852 and Commission Delegated Regulations 2021/2139 of 4 June and 2021/2178 of 6 July	Climate change risk management: Adaptation to the EU taxonomy

* In addition to the GRI content specified in the table above, the Non-Financial Statement of Bankinter Group includes the following content: 102-14; 102-16; 102-17; 103 - Economic performance; 201-1; 201-3; 103 - Market presence; 202-1; 202-2; 103 - Indirect economic impacts; 203-2; 103 - Procurement practices; 204-1; 103 - Anti-corruption; 103 - Anti-competitive behaviour; 206-1; 207-1, 207-2, 207-3 - Taxation 103 - Materials; 301-3; 103 - Energy; 302-5; 103 - Water; 303-1; 303-2; 303-3; 303-4; 103 - Emissions; 103 - Effluents and waste; 306-1; 306-3; 306-4; 103 - Environmental compliance; 307-1; 103 - Supplier environmental assessment; 308-1; 103 - Employment; 401-2; 401-3; 103 - Labour/management relations; 402-1; 103 - Occupational health and safety; 403-4; 403-5; 403-6; 403-8; 403-9; 403-10 103 - Training and education; 404-2; 404-3; 103 - Diversity and equal opportunities; 103 - Non-discrimination; 103 - Freedom of association and collective bargaining; 103 - Child labour; 103 - Forced or compulsory labour; 103 - Security practices; 103 - Human rights assessment; 412-3; 103 - Local communities; 413-2; FS13; FS14; 103 - Evaluation of practices; 414-1; 103 - Public policy; 415-1; 103 - Customer health and safety; 103 - Marketing and labelling; 417-2; 417-3; FS15; FS16; 103 - Customer privacy; 103 - Financial compliance; 419-1; FS6; G4-DMA - Audit; FS9; G4-DMA - Shareholder activism; FS12. This content is detailed in the GRI content index. Introduction

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Appendix II: GRI index

Location in the Statement of Non-Financial Information			Omission
ORGANISATIONAL PROFILE			
102-1	Name of the organisation.	Bankinter group	-
102-2	Activities, brands, products and services.	Business model	-
102-3	Location of headquarters	Paseo de la Castellana 29 - 28046 Madrid	-
102-4	Location of operations	Bankinter's main operations are carried out in Spain, Portugal, Luxembourg and Ireland.	-
102-5	Ownership and legal form	Bankinter, S.A.	-
102-6	Markets served	Business model	-
102-7	Scale of the organisation	Social and employee-related matters Employee breakdown tables	-
102-8	Information on employees and other workers	Social and employee-related matters: Employee breakdown tables	-
102-9	Supply chain	Society: Subcontracting and suppliers	-
102-10	Significant changes to the organisation and its supply chain	The Línea Directa Aseguradora Group ceased to form part of the consolidated Bankinter Group in 2021.	-
102-11	Precautionary principal or approach	Business model: Strategy.	-
		Risk management	
		Environmental matters: precautionary principle, analysing and managing its main environmental risks throughout its value chain, both those directly related to the buildings where its staff works and those indirectly arising from its activities. 2021 Annual Corporate Governance Report	
102-12	External initiatives	Society: Commitments to sustainable development: SDGs, strategic alliances, social action, other partnerships	-
		Environmental matters: Climate change strategy, Influence of stakeholders	
		Sustainability management: Inclusion in sustainability indexes	
102-13	Membership of associations	Society: Commitments to sustainable development: SDGs, strategic alliances, social action, other partnerships	-
		Environmental matters: Climate change strategy, Biodiversity, Influence of stakeholders.	
		Social and employee-related matters: Diversity management policies, Work-life balance.	
STRATEGY			
102-14	Statement from senior decision-maker	Letter from the Chairman	-
102-15	Key impacts, risks and opportunities	Business model	-
		Risk management	
		Sustainability management	
		Environmental matters	
		Society: Commitments to sustainable development	
		Anti-corruption	
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ETHICS AND INTEGRITY			
102-16	Values, principles, standards and norms of behaviour	Risk management	-
		Sustainability management	
		Environmental matters	
		Society: Commitments to sustainable development	
		Anti-corruption	
		Human rights	
102-17	Mechanisms for advice and concerns about ethics	Social and employee-related matters	-
		Fight against corruption: Professional ethics	
		Social and employee-related matters: Equality plans	
GOVERNANCE			
102-18	Governance structure	2021 ACGR: committees, board of directors: Governance structure	-
102-19	Delegating authority	Sustainability committee	-
		Appointments, sustainability and corporate governance committee	-
102-20	Executive-level responsibility for economic, environmental, and social topics	Sustainability committee	-
		Appointments, sustainability and corporate governance committee	-
102-21	Consulting stakeholders on economic, environmental, and social topics	Sustainability management: Dialogue with stakeholders and materiality analysis.	-
		Sustainability committee	
		Appointments, sustainability and corporate governance committee	
102-22	Composition of the highest governance body and its committees	2021 ACGR: committees, board of directors	-
102-23	Chair of the highest governance body	2021 ACGR: committees, board of directors	-
102-24	Nominating and selecting the highest governance body	2021 ACGR: committees, board of directors. Director selection, Appointment, re-election and removal of directors	-
102-25	Conflicts of interest	2021 Annual Corporate Governance Report. Recommendations 23 and 50.	-
102-26	Role of highest governance body in setting purpose, values, and strategy	Sustainability management	-
		Sustainability committee	
		Appointments, sustainability and corporate governance committee	
		2021 Annual Corporate Governance Report	
102-27	Collective knowledge of highest governance body	Sustainability management	-
		Environmental matters: Climate change strategy	
		Human rights	
		Sustainability committee	
		Appointments, sustainability and corporate governance committee	
102-28	Evaluating the highest governance body's performance	2021 Annual Corporate Governance Report: Recommendations 33 and 36. Assessment of the Board and its committees	-

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102-29	Identifying and managing economic, environmental, and social impacts	Risk management	-
		Sustainability management	
		Environmental matters	
		Society: Commitments to sustainable development	
		Human rights	
		Sustainability committee	
		Appointments, sustainability and corporate governance committee 2021 Annual Corporate Governance Report	
102-30	Effectiveness of risk management processes	Risk management	-
		Society: Tax practices and benefits	
		2021 Annual Corporate Governance Report: Risk committee Risk control systems	
102-31	Review of economic, environmental, and social topics	Sustainability policy	-
		Sustainability committee	
		2021 Annual Corporate Governance Report	
102-32	Highest governance body's role in sustainability reporting	Sustainability committee	-
		Appointments, sustainability and corporate governance committee	
		Board of directors	
102-33	Communicating critical concerns	Sustainability policy	-
		Sustainability committee	
		2021 Annual Corporate Governance Report	
102-34	Nature and total number of critical concerns	Sustainability policy	-
		Sustainability committee	
		2021 Annual Corporate Governance Report	
102-35	Remuneration policies	Remuneration policy	-
		2021 ACGR. Remuneration committee	
102-36	Process for determining remuneration	Remuneration policy	-
		2021 ACGR Remuneration committee	
102-37	Stakeholders' involvement in remuneration	Sustainability management	-
		2021 Annual Corporate Governance Report	
102-38	Annual total compensation ratio	Social and employee-related matters: Total remuneration	-
102-39	Percentage increase in annual total compensation ratio	Social and employee-related matters: Total remuneration	-
STAKEHOLDER ENGAGEMENT			
102-40	List of stakeholder groups	Sustainability management	-
102-41	Collective bargaining agreements	Social and employee-related matters: Collective bargaining agreements, Trade union representation	-
102-42	Identifying and selecting stakeholders	Sustainability management	-
102-43	Approach to stakeholder engagement	Sustainability management	-
102-44	Key topics and concerns raised	Sustainability management	-

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Location in the Statement of Non-Financial Information			Omission
REPORTING PRACTICE			
102-45	Entities included in the consolidated financial statements	Bankinter group List of Bankinter Group companies in the Consolidated Financial Statements (Ownership interest and tax situation)	-
102-46	Defining report content and topic Boundaries	Introduction Sustainability management	-
102-47	List of material topics	Sustainability management	-
102-48	Restatements of information	Environmental matters: notes in environmental indicators tables - Consolidated Financial Statements Note 2 (Accounting Criteria applied)	-
102-49	Changes in reporting	The scope and boundaries of each aspect indicate in the GRI Index.	-
102-50	Reporting period	1 January 2021 - 31 December 2021	-
102-51	Date of most recent report	23 February 2021	-
102-52	Reporting cycle	Annual	-
102-53	Contact point for questions regarding the report	comunicación@bankinter.com sostenibilidadbk@bankinter.com Investor_Relations@bankinter.com	-
102-54	Claims of reporting according to the GRI Standards	Comprehensive Compliance Option	-
102-55	Index of GRI content	GRI index	-
102-56	External assurance	Bankinter's practice is to submit the Statement of Non-Financial Information to an independent auditor for review. In financial year 2021, this review was carried out by PricewaterhouseCoopers Auditores, S.L.	-

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Economic dimension																																										
GRI 201 Economic performance																																										
Business strategy - Climate change and natural capital strategy - Corporate governance - People management	Mixed	201	Management approach	Business model Risk management 2021 Integrated Annual Report Results chapter Presentation of results (January 2022)	Bankinter group	-																																				
		201-1	Direct economic value generated and distributed	<p>201-1: BANKINTER (1)</p> <p>Thousands of euros</p> <table border="1"> <thead> <tr> <th></th> <th>2021</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td>Economic value generated (2)</td> <td>1,843,004</td> <td>1,691,676</td> </tr> <tr> <td>Gross operating income</td> <td>1,855,327</td> <td>1,709,040</td> </tr> <tr> <td>Gains (losses) on the disposal of assets not classified as non-current assets held for sale</td> <td>-742</td> <td>-1,190</td> </tr> <tr> <td>Gains (losses) on non-current assets held for sale not classified as discontinued operations</td> <td>-11581</td> <td>-16,174</td> </tr> <tr> <td>Economic value distributed</td> <td>1,164,880</td> <td>905,226</td> </tr> <tr> <td>Staff expenses</td> <td>472,786</td> <td>446,695</td> </tr> <tr> <td>Other administration costs (except contributions and tax)</td> <td>286,793</td> <td>293,573</td> </tr> <tr> <td>Tax on profits and contributions and tax (3)</td> <td>183,534</td> <td>116,492</td> </tr> <tr> <td>Dividends charged to profit for the year (4)</td> <td>218,687</td> <td>44,724</td> </tr> <tr> <td>Social investment (5)</td> <td>3,080</td> <td>3,742</td> </tr> <tr> <td>Retained economic value (economic value generated less that distributed)</td> <td>678,124</td> <td>786,450</td> </tr> </tbody> </table> <p>(1) Refers to Bankinter Group companies (2) Gross income plus net gains/losses in disposal of assets (3) Includes exclusively the expense for tax on profits and the contributions and taxes recorded in the year (4) Includes both distributed dividends and outstanding distributions charged to the income account (5) Includes social investment in terms of the LBG (London Benchmarking Group) methodology for all Group companies</p>		2021	2020	Economic value generated (2)	1,843,004	1,691,676	Gross operating income	1,855,327	1,709,040	Gains (losses) on the disposal of assets not classified as non-current assets held for sale	-742	-1,190	Gains (losses) on non-current assets held for sale not classified as discontinued operations	-11581	-16,174	Economic value distributed	1,164,880	905,226	Staff expenses	472,786	446,695	Other administration costs (except contributions and tax)	286,793	293,573	Tax on profits and contributions and tax (3)	183,534	116,492	Dividends charged to profit for the year (4)	218,687	44,724	Social investment (5)	3,080	3,742	Retained economic value (economic value generated less that distributed)	678,124	786,450	Bankinter group	-
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201-2	Financial implications and other risks and opportunities due to climate change	Risk management Climate change risk. Non-financial risk management: environmental risks, Emerging risks: climate change risks Environmental matters: Climate change strategy, Carbon footprint Risk and opportunities module of the 2021 CDP Questionnaire	Bankinter group	-																																						
201-3	Defined benefit plan obligations and other retirement plans	Consolidated financial statements Note 27 (Staff expenses)	Bankinter group	-																																						
201-4	Financial assistance received from government	Society: Tax practices and benefits. No significant assistance has been received from the Public Administrations (see section F of the Annual Banking Report). Tax rebates and deductions are detailed in notes 18 and 42 to the consolidated annual financial statements.	Bankinter group	-																																						
GRI 202 Market presence																																										
- People management - Ethics - Corporate governance	Internal	202	Management approach	Social and employee-related matters	Bankinter group	-																																				
		202-1	Ratio of standard entry level wages by gender compared to local minimum wage	Social and employee-related matters: Total remuneration Calculated taking into account fixed remuneration.	Bankinter group	-																																				
		202-2	Proportion of senior management hired from the local community	100% of senior managers come from the local community.	Bankinter group	-																																				
GRI 203: Indirect economic impacts																																										
- Relations with the community	External	203	Management approach	Society: Commitments to sustainable development	Bankinter group	-																																				
		203-1	Infrastructure investments and services supported	Society: Commitments to sustainable development (SDG table, Sustainable investment and financing practices and Sustainable products) Society: Social investment, Strategic alliances	Bankinter group	(1)																																				
		203-2	Significant indirect economic impacts	Society: Commitments to sustainable development (SDG table, Sustainable investment and financing practices and Sustainable products) Society: Social investment, Strategic alliances	Bankinter group	-																																				

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GRI 204: Procurement practices						
- Supply chain management	Mixed	204	Management approach	Society: Subcontracting and suppliers	Bankinter group	-
		204-1	Proportion of spending on local suppliers	Society: Subcontracting and suppliers. At Bankinter, the proportion of spending on local suppliers was 95%. In Avantcard, 67%.	Bankinter group	-
GRI 205: Anti-corruption						
- Ethics - Corporate governance - People management - Customer relationship management	Mixed	205	Management approach	Fight against corruption and bribery	Bankinter group	-
		205-1	Operations assessed for risks related to corruption	Fight against corruption and bribery: Internal Audit control, Professional ethics	Bankinter group	-
		205-2	Communication and training about anti-corruption policies and procedures	Fight against corruption and bribery: AML training, Professional ethics	Bankinter group	-
		205-3	Confirmed incidents of corruption and actions taken	Fight against corruption and bribery: Professional ethics	Bankinter group	-
GRI 206: Anti-competitive behaviour						
- Ethics - Corporate governance - Customer relationship management	Mixed	206	Management approach	Fight against corruption and bribery	Bankinter group	-
		206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	There is no proceedings opened against Bankinter for anti-competitive behaviour, anti-trust or monopoly practices	Bankinter group	(3)
GRI 207: Taxation						
- Business strategy - Ethics - Corporate governance	Mixed	207	Management approach	Tax practices Bankinter group tax strategy	Bankinter group	-
		207-1	Tax approach	Tax practices Bankinter group tax strategy	Bankinter group	-
		207-2	Tax governance, risk management and control	Tax practices Bankinter group tax strategy 2021 Corporate Governance Report Notes 18 (Tax assets and liabilities) and 42 (Tax) to the consolidated annual financial statements	Bankinter group	-
		207-3	Participation of stakeholders and management of concerns in tax matters	Tax practices Bankinter group tax strategy 2021 Corporate Governance Report Notes 17 (Tax assets and liabilities) and 42 (Tax) to the consolidated annual financial statements	Bankinter group	-
		207-4	Country-by-country reporting	Tax practices Note 17 (Tax assets and liabilities) and Note 42 (Tax) Country-by-country report on the corporate website	Bankinter group	-
Environmental dimension						
GRI 301: Materials						
- Climate change and natural capital strategy	Internal	301	Management approach	Environmental matters	Bankinter group	-
		301-1	Materials used by weight or volume	Environmental matters: Eco-efficiency indicators	Bankinter group	-
		301-2	Recycled input materials used	Environmental matters: Waste management	Bankinter group	-
		301-3	Reclaimed products and their packaging materials	Immaterial indicator given Bankinter Group's activity	Bankinter group	-

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GRI 302: Energy						
- Climate change and natural capital strategy	Internal	302	Management approach	Environmental matters	Bankinter group	-
		302-1	Energy consumption within the organisation	Environmental matters: Eco-efficiency indicators	Bankinter group	-
		302-2	Energy consumption outside of the organisation	Environmental matters: Carbon footprint External energy consumption is associated with information on Scope 3 of the carbon footprint, in relation to business trips, travel to work and the estimation of electricity consumption by customers.	Bankinter group	-
		302-3	Energy intensity	Environmental matters: Eco-efficiency indicators	Bankinter group	-
		302-4	Reduction of energy consumption	Environmental matters: Eco-efficiency indicators	Bankinter group	-
		302-5	Reduction in energy requirements of products and services	Environmental matters: Eco-efficiency indicators	Bankinter group	-
GRI 303: Water						
- Climate change and natural capital strategy	Internal	303	Management approach	Environmental matters: Eco-efficiency indicators	Bankinter group	-
		303-1	Interaction with water as a shared resource	Group Bankinter has its headquarters in urban land, so water is both consumed and discharged are via the urban network.	Bankinter group	-
		303-2	Management of impacts related to water discharges			
		303-3	Water extraction	Environmental matters: Eco-efficiency indicators	Bankinter group	-
		303-4	Water discharged	Group Bankinter has its headquarters in urban land, so water is both consumed and discharged are via the urban network.		
		303-5	Water consumption	Environmental matters: Eco-efficiency indicators	Bankinter group	-
GRI 304: Biodiversity						
- Climate change and natural capital strategy	Mixed	304	Management approach	Environmental matters: biodiversity	Bankinter group	-
		304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Bankinter group has its headquarters in urban land, so it has no impact on protected natural spaces and/or biodiversity.	Bankinter group	-
		304-2	Significant impacts of activities, products, and services on biodiversity	Bankinter group has its headquarters in urban land, so it has no impact on protected natural spaces and/or biodiversity. Significant indirect impacts of activities, products and services on biodiversity were not assessed in 2021.	Bankinter group	-
		304-3	Habitats protected or restored	Bankinter group has its headquarters in urban land, so it has no impact on protected natural spaces and/or biodiversity.	Bankinter group	-
		304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations		Bankinter group	

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GRI 305: Emissions						
- Climate change and natural capital strategy	Mixed	305	Management approach	Environmental matters: Climate Change Strategy, Carbon Footprint	Bankinter group	-
		305-1	Direct (Scope 1) GHG emissions	Environmental matters: Carbon footprint	Bankinter group	-
		305-2	Energy indirect (Scope 2) GHG emissions	Environmental matters: Carbon footprint	Bankinter group	-
		305-3	Other indirect (Scope 3) GHG emissions	Environmental matters: Carbon footprint	Bankinter group	-
		305-4	GHG emissions intensity	Environmental matters: Carbon footprint	Bankinter group	-
		305-5	Reduction of GHG emissions	Environmental matters: Climate change strategy. Carbon footprint	Bankinter group	-
		305-6	Emissions of ozone-depleting substances (ODS)	These substances do not occur in Group Bankinter's normal activity.	Bankinter group	-
		305-7	Nitrogen oxides (NOX), sulphur oxides (SOX) and other significant air emissions	Given Bankinter Group's activity, no significant emissions of this kind are produced.	Bankinter group	-
GRI 306: Waste						
- Climate change and natural capital strategy	Internal	306-1	Waste generation and significant impacts related to waste	Environmental matters: Waste management	Bankinter group	-
		306-2	Management of significant impacts related to waste	Environmental matters: Waste management	Bankinter group	-
		306-3	Waste generated	Environmental matters: Waste management	Bankinter group	-
		306-4	Waste not destined for disposal	Environmental matters: Waste management	Bankinter group	(1) Quantitative information is unavailable. This is being compiled for reporting in future years
		306-5	Waste destined for disposal	Environmental matters: Waste management	Bankinter group	(1) Quantitative information is unavailable. This is being compiled for reporting in future years

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Material topics identified	Material aspect boundaries	Indicator	Location in report	Scope	Omission	
GRI 307: Environmental compliance						
- Climate change and natural capital strategy	Mixed	307	Management approach	Environmental matters: Introduction	Bankinter group	-
		307-1	Non-compliance with environmental laws and regulations	No type of penalty or significant fine for non-compliance with environmental laws were received. Consolidated annual financial statements Note 37 (Information on sustainability management)	Bankinter group	(3)
GRI 308: Supplier environmental assessment						
- Supply chain management	Mixed	308	Management approach	Society: Subcontracting and suppliers		
		308-1	New suppliers that were screened using environmental criteria	Sustainability management: Significant indicators Society: Subcontracting and suppliers	Bankinter group	-
		308-2	Negative environmental impacts in the supply chain and actions taken	Given the type of supplier, no environmental impact assessments were carried out.	Bankinter group	-
SOCIAL DIMENSION						
GRI 401: Employment						
- People management	Internal	401	Management approach	Social and employee-related matters	Bankinter group	-
		401-1	New employee hires and employee turnover	Social and employee-related matters: Selection	Bankinter group	-
		401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Social and employee-related matters: Corporate benefits, Pension scheme	Bankinter group	-
		401-3	Parental leave	Social and employee-related matters: Reconciliation	Bankinter group	-
GRI 402: Labour/Management Relations						
- People management	Internal	402	Management approach	Social and employee-related matters: Health and safety, Collective bargaining agreements, Union representation. Dialogue with employees	Bankinter group	-
		402-1	Minimum notice periods regarding operational changes	The organisational changes that occur in the group are analysed on a case-by-case basis to prevent or mitigate any potentially adverse impacts on employees. The reporting of organisational changes respects the legislation in force in this matter, namely: in Spain, the Workers' Statute and the banking Collective Bargaining Agreement, the Offices Collective Bargaining Agreement, the Savings Banks Collective Bargaining Agreement, the Contact Center Collective Bargaining Agreement and the Consulting Companies Collective Bargaining Agreement; the "Acordo Coletivo de Trabalho do Sector Bancário" and "Lei Geral do Trabalho" in Portugal; and the Collective Bargaining Agreement for Bank Employees in Luxembourg.	Bankinter group	-

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GRI 403: Occupational health and safety						
- People management	Internal	403	Management approach	Social and employee-related matters: Health and safety, Health and safety committees 100% of the group's workers and activities are covered by occupational health and safety management systems	Bankinter group	-
		403-1	Occupational health and safety management system	Bankinter Group has occupational health and safety management systems that cover statutory OHS audits. Bankinter Portugal has a management system certified under the ISO 45001 standard.	Bankinter group	-
		403-2	Hazard identification, risk assessment and accident investigation	Workplace risks are assessed by the group's OHS departments. In the event of an accident, the causes are analysed and appropriate improvements are implemented.	Bankinter group	-
		403-3	Occupational health services	Social and employee-related matters: Health and safety, Dialogue with employees, Health and safety committees	Bankinter group	-
		403-4	Employee participation, consultation and communication on occupational health and safety	Social and employee-related matters: Health and safety, Dialogue with employees, Health and safety committees	Bankinter group	-
		403-5	Employee training on occupational health and safety	Social and employee-related matters: Health and safety, Dialogue with employees. Annual training is provided in occupational risk prevention and health and safety.	Bankinter group	-
		403-6	Promoting employee health	Social and employee-related matters: Health and safety, Dialogue with employees. Corporate benefits. Annual training is provided in occupational risk prevention and health and safety.	Bankinter group	-
		403-7	Prevention and mitigation of health and safety impacts on workers directly linked through commercial relationships	Indicator not applicable given Bankinter Group's activity	Bankinter group	-
		403-8	Workers covered by an occupational health and safety management system	Social and employee-related matters: Health and safety, Dialogue with employees, Health and safety committees. 100% of the group's workers are covered by occupational health and safety management systems.	Bankinter group	-
		403-9	Occupational injuries	The number of deaths resulting from occupational accidents in 2021 was 0. Rates are calculated per million hours worked. The number of hours worked in 2021 was 10,317,300	Bankinter group	-
403-10	Occupational diseases and illnesses	Social and employee-related matters: Health and safety committees. No professions have been identified with high risks of occupational illness. The number of deaths from work-related illness or disease in 2021 was 0.	Bankinter group	-		
GRI 404: Training and education						
- People management	Internal	404	Management approach	Social and employee-related matters: Training and talent	Bankinter group	-
		404-1	Average hours of training per year per employee	Social and employee-related matters: Training and talent	Bankinter group	-
		404-2	Programmes for upgrading employee skills and transition assistance programmes	Social and employee-related matters: Training and talent	Bankinter group	-
		404-3	Percentage of employees receiving regular performance and career development reviews	Social and employee-related matters: Training and talent	Bankinter group	-
GRI 405: Diversity and equal opportunity						
- People management - Ethics - Corporate governance	Internal	405	Management approach	Social and employee-related matters: Equality plans and measures adopted to promote equal opportunities	Bankinter group	-
		405-1	Diversity in governance bodies and employees	board of directors ACGR - Social and employee-related matters: employees with disability Employee breakdown tables, Employees with a disability.	Bankinter group	-
		405-2	Ratio of basic salary and remuneration of women to men	The ratio of basic salary of men to women is 1. Social and employee-related matters: Total remuneration	Bankinter group	-
GRI 406: Non-discrimination						
- People management - Ethics	Mixed	406	Management approach	Human rights	Bankinter group	-
		406-1	Incidents of discrimination and corrective actions taken	There were no significant incidents involving discrimination	Bankinter group	-

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GRI 407: Freedom of association and collective bargaining						
- People management - Ethics	Mixed	407	Management approach	Social and employee-related matters: Collective bargaining agreements, Trade union representation	Bankinter group	-
		407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	The group's operations are limited geographically to Europe and no significant risks related to these aspects were detected.	Bankinter group	-
GRI 408: Child labour						
- People management - Ethics	Mixed	408	Management approach	Human rights	Bankinter group	-
		408-1	Operations and suppliers at significant risk for incidents of child labour	The group's operations are limited geographically to Europe and no significant risks related to these aspects were detected.	Bankinter group	-
GRI 409: Forced or compulsory labour						
- People management - Ethics	Mixed	409	Management approach	Human rights	Bankinter group	-
		409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	The group's operations are limited geographically to Europe and no significant risks related to these aspects were detected.	Bankinter group	-
GRI 410: Security practices						
- People management - Ethics	Mixed	410	Management approach	As confirmed by the security companies working at Bankinter Group centres, 100% of staff is accredited to practice this profession. Bankinter Group ultimately guarantees the training, requirements, quality and formulas for hiring these professionals and services. Required courses include deontology and fundamental rights.	Bankinter group	-
		410-1	Security personnel trained in human rights policies or procedures		Bankinter group	-
GRI 411: Rights of indigenous peoples						
- People management - Ethics	Mixed	411	Management approach	The group's operations are limited geographically to Europe and no significant risks related to these aspects were detected.	Bankinter group	-
		411-1	Incidents of violations involving rights of indigenous peoples			
GRI 412: Human rights assessment						
- People management - Ethics - Corporate governance - Business strategy - Customer relationship management	Mixed	412	Management approach	Human rights	Bankinter group	-
		412-1	Operations that have been subject to human rights reviews or impact assessments	Human Rights: In 2021, none (4% in 2020) of the transactions subject to sector policies with ESG criteria were rejected for failing to meet the non-financial criteria of the sector policies.	Bankinter group	-
		412-2	Employee training on human rights policies or procedures	Human rights	Bankinter group	-
		412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Human rights Bankinter group operates mainly in Spain, Portugal and Ireland, which are OECD countries. It has analysed human rights risks without identifying any that are significant. Bankinter is also a signatory of the United Nations Global Compact. In 2021 there has been no significant investment contract or agreement that includes clauses of this type.	Bankinter group	-

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GRI 413: Local communities						
- Relations with the community	Mixed	413	Management approach	Society: Commitments to sustainable development, Social action Bankinter Innovation Foundation	Bankinter group	-
		413-1	Operations with local community engagement, impact assessments, and development programmes	Society: Commitments to sustainable development, Social action, Strategic alliances. Social and employee-related matters: Accessibility Environmental matters: Environmental management systems Bankinter Innovation Foundation	Bankinter group	-
		413-2	Operations with significant actual and potential negative impacts on local communities	No significant negative impacts on local communities were identified. In 2021, Bankinter had one business centre less than in 2020 (considering Spain and Portugal). EVO Banco changed its headquarters building in Madrid.	Bankinter group	-
- Relations with the community	Mixed	FS13	Access points in low-populated or economically disadvantaged areas by type.	Social and employee-related matters: Accessibility Society: Commitments to sustainable development (SDGs, Social investment, Strategic alliances and Corporate volunteering)	Bankinter group	-
		FS14	Initiatives to improve access to financial services for disadvantaged people.	Social and employee-related matters: Accessibility Society: Commitments to sustainable development (SDGs, Social investment, Strategic alliances and Corporate volunteering)	Bankinter group	-
GRI 414: Evaluation of suppliers' labour practices						
- Supply chain management	Mixed	414	Management approach	No analysis of labour practice criteria at suppliers was conducted, since no significant risk was identified.	Bankinter group	-
		414-1	New suppliers that were screened using social criteria	Sustainability management: Significant indicators Society: Subcontracting and suppliers	Bankinter group	-
		414-2	Negative social impacts in the supply chain and actions taken	Given the type of provider, a labour practice impact analysis has not been carried out.	Bankinter group	-
GRI 415: Public policy						
- Ethics - Business strategy	Mixed	415	Management approach	Code of Professional Ethics for Bankinter Group companies Bankinter Group Anti-Corruption Policy	Bankinter group	-
		415-1	Political contributions	Bankinter Group does not contribute to any political party. (Article 17.2 of the Bankinter Code of Ethics) Bankinter Group anti-corruption policy.	Bankinter group	-
GRI 416: Customer health and safety						
- People management - Customer relationship management	Mixed	416	Management approach	Fight against corruption: Business ethics Society: Quality Society: Customer service department	Bankinter group	-
		416-1	Assessment of the health and safety impacts of product and service categories	Occupational risk assessments were carried out at all of the bank's positions, including potential customer risks in the bank's branches. Employment matters: Health and safety Fight against corruption: Business ethics Society: Data protection	Bankinter group	(1)
		416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Bankinter Group did not have any significant incidents in this respect.	Bankinter group	(1)

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GRI 417: Marketing and labelling						
- Customer relationship management	Mixed	417	Management approach	Non-financial risk management Fight against corruption: Business ethics Society: Quality of service Society: Customer service department	Bankinter group	-
		417-1	Requirements for product and service information and labelling	Fight against corruption: Institutional framework. The product committee reviews and approves the release of all products and services offered to retailers. The bank has prepared for the introduction of the new MiFID II, MiFIR, and PRIIPs regulations	Bankinter group	(2)
		417-2	Incidents of non-compliance concerning product and service information and labelling	No incidents of non-compliance concerning product and service information and labelling were reported in 2021.	Bankinter group	(3)
		417-3	Incidents of non-compliance concerning marketing communications	No cases of non-compliance concerning marketing communications were reported in 2021.	Bankinter group	(3)
		FS15	Policies for the fair design and sale of financial products and services	Risk management Risk management principles Fight against corruption: Institutional framework Society: Commitments to sustainable development (Sustainable investment practices and finance, Sustainable products)	Bankinter group	-
		FS16	Initiatives to enhance financial literacy by type of beneficiary.	Society: Commitments to sustainable development (strategic alliances, corporate volunteering) Social and employee-related matters: Accessibility and financial inclusion.	Bankinter group	-
GRI 418: Customer privacy						
- Customer relationship management	Mixed	418	Management approach	Society: Data protection Fight against corruption	Bankinter group	-
		418-1	Substantiated complaints regarding breaches of customer privacy and losses of customer data	Bankinter Group did not receive any significant penalties with regard to data protection	Bankinter group	(3)
GRI 419: Socioeconomic compliance						
- Customer relationship management - Ethics - Corporate governance	Mixed	419	Management approach	Fight against corruption Human rights	Bankinter group	-
		419-1	Non-compliance with laws and regulations in the social and economic area	No cases of non-compliance concerning social and economic laws and regulations were reported in 2021.	Bankinter group	(3)

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FINANCIAL SUPPLEMENT						
PRODUCT PORTFOLIO						
<ul style="list-style-type: none"> - Customer relationship management - Community relations - Climate change and natural capital strategy 	Mixed	G4-DMA	Policies with specific environmental and social aspects applied to business lines.	Sustainability management: 3D Sustainability Plan Society: Commitments to sustainable development (Sustainable investment practices, Sustainable products)	Bankinter group	-
			Procedures for assessing and screening environmental and social risks in business lines.	Risk analysis procedures include all those that are significant from the credit risk viewpoint. Climate change risk management. Non-financial risk management (environmental risks, social risks, human rights risks) Emerging risks: Climate risk Environmental issues: Climate change strategy	Bankinter group	-
		Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions.	Society: Commitment to sustainable development (Sustainable investment practices: Equator Principles)	Bankinter group	-	
		Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.	Social and employee-related matters: Training and talent Human rights Environmental matters: Influence on stakeholders	Bankinter group	-	
		Interactions with clients/investees/business partners regarding environmental and social risks and opportunities	Society: Commitment to sustainable development (Sustainable investment practices, Sustainable products) Environmental matters: Climate change strategy	Bankinter group	-	
		FS6	Percentage of the portfolio for lines of business by region, size (for example: micro companies/SMEs/large) and sector of activity	Business model Integrated Annual Report 2021: Results Presentation of results (January 2022)	Bankinter group	-
		FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	Sustainability management. Commitments to sustainable development (Sustainable investment practices, Sustainable products)	Bankinter group	(1) The share by business line is not included
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	Sustainability management. Commitments to sustainable development (Sustainable investment practices, Sustainable products)	Bankinter group	(1) The share by business line is not included		
AUDIT						
<ul style="list-style-type: none"> - Climate change and natural capital strategy - Business strategy - Corporate governance 	Internal	G4-DMA	Management approach	<ul style="list-style-type: none"> - The internal audit area participates annually in the audits carried out to evaluate the entity's Environmental Management and Accessibility Systems. In addition, it performs an annual audit on the Integrated Annual Report and the Statement of Non-Financial Information, which reports all information related to the Sustainability Plan, Sustainability Policy and management of environmental and social aspects by the entity. 	Bankinter group	-
		FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures		Bankinter group	-

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Material topics identified	Material aspect boundaries	Indicator	Location in report	Scope	Omission	
ACTIVE OWNERSHIP						
- Business strategy - Climate change and natural capital strategy - Corporate governance	Internal	G4-DMA	Management approach	Sustainability management. Commitments to sustainable development (Sustainable investment practices, Sustainable products)	Bankinter group	-
		FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organisation has interacted on environmental or social issues.	Sustainability management. Commitments to sustainable development (Sustainable investment practices, Sustainable products)	Bankinter group	(1) Quantitative information is not available. . Work is underway to gather this information to report it in future periods.
		FS11	Percentage of assets subject to positive or negative environmental or social screening.	Sustainability management. Commitments to sustainable development (Sustainable investment practices, Sustainable products)	Bankinter group	(1) Quantitative information is not available. Work is underway to gather this information to report it in future periods.
		FS12	Voting polic(ies) applied to environmental or social issues for shares over which the reporting organisation holds the right to vote or advise on voting.	No voting policy is in place regarding social or environmental issues for entities over which the organisation holds the right to vote or advise on voting.	Bankinter group	-

Notes:

1. Only qualitative information is reported.
2. Detailed information is not provided on each type of product and service.
3. Accounting provisions for claims of whatever kind, and above the 50,000 euros threshold, are reported.
4. Accounting provisions for claims of any nature and above a 30,000 euros threshold are reported.

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Appendix III: Principles for Responsible Banking

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Reporting and self-assessment requirements	High-level summary of bank's response	Reference(s)/Link(s) to bank's full response/Relevant information
<p>Principle 1: Alignment "We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks. We will focus our efforts where we will have the most significant impact."</p>		
<p>1.1 Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.</p>	<p>Bankinter is a Spanish financial group with subsidiaries in Portugal, Luxembourg and Ireland. At the end of 2021, Bankinter had assets amounting to 107,584 million euros, making it the sixth largest Spanish financial institution by volume of assets. At that date, it had 445 branches and 6,138 employees.</p> <p>Bankinter Group pursues its business model through various lines that are well focused and complement each other, including: Corporate Banking, Commercial Retail Banking, Asset Management, Investment Banking, Bankinter Consumer Finance (dedicated to the consumer business) and EVO Banco (aimed at the younger and digital customer segments).</p> <p>Bankinter is aware of the role it is called on to play as a driver of the economic recovery after the COVID-19 pandemic, providing financial support to companies and families. In its latest stress tests, the European Banking Authority recognised Bankinter as the most robust, solvent and resilient bank in Spain, placing it third in Europe. Leveraging this strong position, the bank has maintained an active commercial strategy, promoting its business lines.</p> <p>Bankinter performs this activity while integrating Environmental, Social and Governance (ESG) aspects into its business through the new comprehensive sustainability strategy set out in the 3D Sustainability Plan for 2021-2023.</p>	<p>Business model chapter</p>
<p>1.2. Describe how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.</p>	<p>Sustainability management is a priority at Bankinter Group. A new Sustainability Policy has been established, which was approved by the board of directors in March 2021. This has given rise to the 3D Sustainability Plan 2021-2023, which aims to foster three key aspects of management – economic, social, environmental – in line with the inclusive and sustainable development promoted by the United Nations 2030 Agenda.</p> <p>The group's current sustainability strategy is based on the main international agreements to contribute to the fight against global warming and achieve more sustainable and inclusive development. Bankinter has incorporated the objectives of the Paris Agreement and the United Nations Sustainable Development Goals (SDGs).</p> <p>The SDGs represent one of the foundations for development of the strategy through the 3D Sustainability Plan for 2021-2023. Bankinter has identified the SDGs to which it can make the greatest contribution. In its strategy, which is embodied in the 3D Sustainability Plan, it has set goals to contribute to some of the primary SDGs, specifically: Good health and well-being (SDG 3), Quality education (SDG 4), Gender equality (SDG 5), Affordable and clean energy (SDG 7), Decent work and economic growth (SDG 8), Industry, innovation and infrastructure (SDG 9), Reduced inequalities (SDG 10), Sustainable cities and communities (SDG 11), Responsible consumption and production (SDG 12), Climate action (SDG 13), Peace, justice and strong institutions (SDG 16) and Partnerships for the goals (SDG 17). Due to its financing and investment activity, the entity has identified twelve of these as being key, particularly: SDG 7 Affordable and clean energy, SDG 8 Decent work and economic growth, SDG 9 Industry, innovation and infrastructure, SDG 13 Climate action, SDG 16 Peace, justice and strong institutions and SDG 17 Partnerships for the goals.</p> <p>Because of its activity and the geographies in which it operates, the bank considers it has less capacity to contribute to the other SDGs.</p> <p>Bankinter has obtained validation from an independent certification body of the alignment of its sustainability strategy with the SDGs.</p>	<p>Chapters on Sustainability Management and the Chapter Company commitments to sustainable development</p>

Reporting and self-assessment requirements	High-level summary of bank's response	Reference(s)/Link(s) to bank's full response/Relevant information
<p>Principle 2: Impact "We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts."</p>		
<p>2.1 Impact analysis: Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfils the following elements: a) Scope: The bank's core business areas, products/services across the main geographies that the bank operates, as described in 1.1, have been considered in the scope of the analysis. b) Scale of Exposure: In identifying its areas of most significant impact the bank has considered where its core business/major activities lie in terms of industries, technologies and geographies. c) Context & Relevance: Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates. d) Scale and intensity/salience of impact: In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank's activities and provision of products and services. (your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d))</p> <p>Show that building on this analysis, the bank has:</p> <ul style="list-style-type: none"> ▪ Identified and disclosed its areas of most significant (potential) positive and negative impact ▪ Identified strategic business opportunities in relation to the increase of positive impacts/reduction of negative impacts. 	<p>Bankinter develops its sustainability strategy to minimise any negative impacts its activity may have on its social and environmental surroundings and to enhance the positive ones.</p> <p>Bankinter identifies the aspects of its activity with the greatest influence on the environment through a system for managing 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 the entity's main stakeholders (such as customers, employees, suppliers, social and sector influencers and the media) attribute to these aspects.</p> <p>Bankinter undertook a new materiality analysis for the design of its new Sustainability Plan, by sending a questionnaire to its main stakeholders. Bankinter has identified eight relevant issues related to sustainability.</p> <p>This analysis was used to identify two key areas where the bank can have an impact through its own financial activity that are material issues for our stakeholders: management of climate change risks and sustainable business development.</p> <p>These two areas of impact are included in the bank's Climate Change Strategy, which was published in 2019. This strategy was inspired by the recommendations of the Task Force on Climate-related Disclosures. It is divided into four axes:</p> <ul style="list-style-type: none"> ▪ Commitment: Contribute to the transition to a sustainable economy to help adapt to and mitigate the effects of climate change. ▪ Management: Include climate change risks in the management model. Incorporate climate risks into decision-making when agreeing financing to companies and individuals. ▪ 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. 	<p>Environmental Issues and Climate Change Risk Management chapters</p>
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis Bankinter performed materiality analysis and social, environmental and good governance impact analysis in defining its 2021-2023 sustainability strategy.</p>	<p>The climate change strategy includes objectives for each of its four axes</p>	
<p>2.2 Target Setting Show that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets, which address at least two of the identified "areas of most significant impact", resulting from the bank's activities and provision of products and services.</p> <p>Show that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.</p> <p>Show that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society's goals and that it has set out relevant actions to mitigate those as far as feasible to maximise the net positive impact of the set targets.</p>	<ul style="list-style-type: none"> ▪ Commitment <ul style="list-style-type: none"> - Contribute to the transition to a low-carbon model - Membership of the main international initiatives ▪ Management. <ul style="list-style-type: none"> - Be carbon neutral under Scopes 1 and 2. - Ensure that 100% of the electricity consumed at the bank's facilities in Spain and Portugal comes from renewable sources. - Implement a climate rating tool for transactions with companies. - Analyse the bank's exposure to climate change risks in corporate banking. - Prepare an initial estimate of the total emissions financed by the bank in the business sector in Spain. - Further develop the identification of climate change emissions and risks in the mortgage portfolio. - Calculate the CO2 emissions avoided through projects promoted through issuance of the bank's green bonds. - Continue developing a roadmap for decarbonisation of loan books. ▪ Business <ul style="list-style-type: none"> - Market new sustainable products - Increase the volume of sustainable products in the portfolio. ▪ Involvement: <ul style="list-style-type: none"> - Implement a training/awareness strategy for our stakeholders (customers, employees, etc.) <p>This strategy is set out in the 3D Sustainability Plan and contributes directly to Sustainable Development Goals 7, 8, 9 and 13.</p>	<p>Environmental issues, Society-Commitments to sustainable development chapters</p>
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Target Setting. Objectives are set in both the sustainability and climate change strategies, with continuous monitoring by the sustainability committee.</p>		

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Reporting and self-assessment requirements	High-level summary of bank's response	Reference(s)/Link(s) to bank's full response/Relevant information
<p>2.3 Plans for Target Implementation and Monitoring Show that your bank has defined actions and milestones to meet the set targets.</p>	<p>The implementation plan for these objectives is integrated into the monitoring of the performance of the bank's sustainability strategy, the 3D Plan. The Sustainability department has a dashboard through which it continuously monitors the indicators for the more than 50 programmes in the plan.</p>	
<p>Show that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.</p>	<p>The Sustainability committee meets every four months to monitor the degree to which the objectives set for development of the 20 strategic lines in the plan have been met.</p>	Sustainability management chapter
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring. The sustainability committee and the appointments, sustainability and corporate governance committee regularly monitor the degree to which the objectives are being achieved.</p>	<p>The board of directors and its appointments, sustainability, and corporate governance committee regularly monitor the bank's ESG performance and the degree of compliance with the objectives in the sustainability strategy.</p>	
<p>2.4 Progress on Implementing Targets For each target separately: Show that your bank has implemented the actions it had previously defined to meet the set target. Or explain why actions could not be implemented/needed to be changed and how your bank is adapting its plan to meet its set target.</p>	<p>Commitment Bankinter is a signatory to the main sector commitments to ESG, including the UNEP FI, Principles for Responsible Banking, the Net Zero Banking Alliance, the Task Force on Climate Related Financial Disclosures for Banks, the Spanish Network of the United Nations Global Compact, the Equator Principles and the Finance for Biodiversity Pledge.</p> <p>Management.</p> <ul style="list-style-type: none"> - Bankinter became carbon neutral for Scopes 1 and 2 in 2020. - 100% of the electricity consumed in the bank's facilities in Spain and Portugal at the end of the year came from renewable sources. This milestone was achieved in 2020. - The Policy on the integration of sustainability risks into investment decisions and advice was approved in 2021. - Bankinter has implemented a rating tool for predisposition to climate change risk for all companies. This climate rating measures the customer's propensity to be affected by physical and transition risks. - The bank's exposure to climate change risks has been analysed for corporate banking. - An initial estimate has been made of the total emissions financed by the bank in the corporate banking sector in Spain, following the PCAF methodology. - Progress has been made in identifying climate change emissions and risks in the mortgage portfolio. - The CO2 emissions that have been avoided through projects arising from the issuance of green bonds by the bank have been calculated. - Bankinter is developing a roadmap for decarbonisation of its portfolios, with targets for 2025 and 2030, in line with the PNIEC (Integrated National Energy and Climate Plan) targets. <p>Business</p> <ul style="list-style-type: none"> - Bankinter offers an extensive catalogue of sustainable products. New products were launched in 2021 such as the Efficient Home Mortgage (for properties with a high energy ratings) and the sustainable loan portfolios offered through its Popcoin digital investment manager. - The business volumes and profitability of the sustainable investment funds marketed by the bank have increased. <p>Involvement</p> <ul style="list-style-type: none"> - Development of learning pills on ESG topics for employees. - Involvement in green entrepreneurship and circular economy events. - Bankinter is the leading entity in the Forética Climate Change Cluster. 	Chapters on Climate Change Risk Management, Sustainability Management and Environmental Issues.
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets Bankinter is working to meet the short-, medium- and long-term objectives in its sustainability and climate change strategies</p>		
<p>Principle 3: Customers (for goods and services) "We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations"</p>		
<p>3.1 Provide an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results.</p>	<p>The group's Sustainability Policy provides the general framework for managing ESG issues, setting down the principles for action with all stakeholders. These principles include integrating sustainability risks into decision-making processes for investments and advice on investments and insurance, and incorporating ESG criteria into analysis of investment and financing.</p>	
	<p>The Sustainability Policy is developed through other corporate policies: the Environmental Policy, the Human Rights Policy, the Inclusion and Diversity Policy, the Investment Sustainability Principles, with four sector policies (extractive, agricultural, energy, defence), the Policy on the integration of sustainability risks into investment decisions and advice and the Responsible investment policy.</p>	Sustainability management chapter

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Reporting and self-assessment requirements	High-level summary of bank's response	Reference(s)/Link(s) to bank's full response/Relevant information
3.2 Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.	<p>Bankinter performs regular significance studies that enable it to improve the effectiveness of its engagement channels for social agents and understand the priority issues in detail. The main material issues identified are: Customer relationship management, Sustainable business strategy, Corporate governance, Ethics, People management, Community relations, Supply chain management, and Climate change and natural capital strategy.</p> <p>The bank has included issues related to climate risks in its financial dialogue with companies through preparation of ratings that determine the level of risks related to climate change. Mandatory dialogue is initiated with companies that are found to have high or very high risk in this analysis, to find out whether they have a climate change strategy and how they plan to mitigate these risks.</p> <p>Bankinter has been offering a range of sustainable products for many years to contribute to this change and the transition to a low-carbon economic model. These include sustainable investment funds, the launch of green bonds, sustainable venture capital funds, project finance for renewable energies, green mortgages and the sustainable portfolios offered by the Popcoin digital advisor.</p>	Sustainability management chapter
<p>Principle 4: Stakeholders "We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals."</p>		
4.1 Describe which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.	<p>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 the entity's main stakeholders (such as customers, employees, suppliers, social and sector influencers and the media) attribute to these aspects.</p> <p>Bankinter undertook a new materiality analysis for the design of its new Sustainability Plan, by sending a questionnaire to its main stakeholders. This process identified eight aspects relevant to sustainability: customer relationship management, sustainable business strategy, corporate governance, ethics, people management, community relations, supply chain management, and climate change and natural capital strategy. These aspects have been integrated into the strategic lines and associated programmes in the Sustainability Plan, with the annual objectives and challenges being monitored for each of these.</p>	Sustainability management chapter
<p>Principle 5: Governance and culture "We will implement our commitment to these Principles through effective governance and a culture of responsible banking"</p>		
5.1 Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.	<p>The Sustainability department is responsible for designing and implementing the bank's Sustainability strategy through implementation of the Sustainability Policy. This policy was approved by the board of directors in March 2021. 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 permanent 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.</p>	Sustainability management chapter
5.2 Describe the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, among others.	<p>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.</p> <p>The bank has implemented a management system that facilitates reporting on over 150 primary indicators included in the dashboard, to make it easier to monitor the development of the Sustainability Plan's lines of action and the degree to which their objectives have been achieved.</p>	Sustainability Management, Environmental issues, Society-Commitments to sustainable development chapters
5.3 Governance Structure for Implementation of the Principles Show that your bank has a governance structure in place for the implementation of the PRB, including: a) target-setting and actions to achieve targets set. b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected.	<p>The appointments, sustainability and corporate governance committee is responsible for reviewing the sustainability policy, monitoring the sustainability strategy and overseeing the group's ESG (Environmental, Social and Governance) indicators. It monitors dialogue with stakeholders and ESG risk assessments, and ensures public disclosure of non-financial and diversity information.</p> <p>The sustainability committee is the executive body responsible for ensuring the correct implementation of the plan. With the bank's chairman at its helm, the committee is made up of the managers of the areas that are key to the integration of ESG criteria into decision-making throughout the bank's value chain.</p> <p>The bank establishes an annual Sustainability Training Plan to promote a culture of sustainability among its stakeholders. The objectives of this plan include training the workforce in the application of human rights in the company, and specific qualifications for employees in key areas such as Risks and the asset manager in understanding and applying ESG criteria in financing and investment decisions.</p> <p>Bankinter is involved in specific forums to spread best practices in relation to sustainability and climate change. Bankinter is a leading company in the Climate Change Cluster organised by Forética and takes part in and sponsors forums and events on climate change and the environment.</p> <p>In 2022, training workshops will be held for SMEs and young customers to train them in calculating their carbon footprint and the actions they can take to reduce their CO2 emissions.</p>	Sustainability management chapter
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles. The bank's sustainability strategy and its main indicators and objectives are regularly reported to the sustainability committee, the appointments, sustainability and corporate governance committee, and the board of directors, the entity's highest governing body.</p>		

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Reporting and self-assessment requirements	High-level summary of bank's response	Reference(s)/Link(s) to bank's full response/Relevant information
<p>Principle 6: Transparency & Accountability "We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals"</p>		
<p>6.1 Progress on Implementing the Principles</p>	<p>Bankinter's progress in the field of its ESG performance and its management is public, as full information on these aspects is published in the Bankinter Group's annual Statement of Non-Financial Information. This report is audited by an independent third party (PwC in 2021) and is made available to all stakeholders on the corporate website.</p>	
<p>Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in a minimum of two areas (see 2.1-2.4).</p>	<p>In its effort to contribute to the transition to a sustainable, low-carbon economy, Bankinter is a signatory to the main international agreements and commitments relating to ESG, including the UNEP FI, the Principles for Responsible Banking, the Net Zero Banking Alliance, the Task Force on Climate Related Financial Disclosures for Banks, the Equator Principles, the Spanish Global Compact Network and the Finance for Biodiversity Pledge.</p>	
<p>Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.</p>	<p>In 2021, Bankinter was listed in the most prestigious sustainability indices, such as the Dow Jones Sustainability Index World, which recognises it as one of the twenty-five most sustainable banks in the world, and the Dow Jones Sustainability Index Europe, which recognises it as one of the five best in Europe.</p>	<p>Introduction and Sustainability Management chapter</p>
<p>Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on its implementation of these Principles.</p>	<p>The bank is also listed in other leading sustainability indices (FTSE4Good, MSCI and CDP), and has now been included in the ESG Euronext Vigeo Eiris Eurozone 120 Index for the first time. It has also been highlighted in the 2022 Sustainability Yearbook prepared by the analysts S&P Global.</p> <p>The bank's objective is to remain in these sustainability indices, for which it has set objectives and challenges in the strategic lines of its Sustainability Plan, to continue the ongoing improvement of its ESG performance.</p>	
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking Bankinter is working tirelessly to improve its ESG performance and meet the highest international standards for sustainable development.</p>		

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Appendix IV: Independent Assurance Report



Bankinter, S.A.

Consolidated Statement of Non-Financial Information
for the year ended 31 December 2021



This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Independent verification report

To the shareholders of Bankinter, S.A.:

Pursuant to article 49 of the Code of Commerce, we have verified, with the scope of a limited assurance engagement, the accompanying Consolidated Statement of Non-Financial Information ("SNFI") for the year ended 31 December 2021 of Bankinter, S.A. (Parent company) and subsidiaries (hereinafter "Bankinter") which forms part of the Bankinter's consolidated management report.

The content of the SNFI includes information additional to that required by current mercantile legislation in relation to non-financial information, which has not been covered by our verification work. In this respect, our work was limited solely to verifying the information identified in the Appendix I: "Requirements of Law 11/2018 regarding non-financial and diversity information" and in the Appendix II: "GRI index" included in the accompanying SNFI.

Responsibility of the directors of the Parent company

The preparation of the SNFI included in Bankinter's consolidated management report and the content thereof, are the responsibility of the directors of Bankinter, S.A. The SNFI has been drawn up in accordance with the provisions of current mercantile legislation and following the criteria of the *Sustainability Reporting Standards* of the *Global Reporting Initiative* ("GRI Standards") in line with the Exhaustive option and Financial Services Sector Disclosures of the GRI G4 Guidelines Industry Supplement as per the details provided for each matter in the Appendix I: "Requirements of Law 11/2018 regarding non-financial and diversity information" and in the Appendix II: "GRI index" of the aforementioned Statement.

This responsibility also includes the design, implementation and maintenance of the internal control considered necessary to allow the SNFI to be free of material misstatement due to fraud or error.

The directors of Bankinter, S.A. are also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the SNFI is obtained.

Our independence and quality control

We have complied with the independence requirements and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code") which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

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Our firm applies International Standard on Quality Control 1 (ISQC 1) and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The engagement team consisted of professionals specialising in Non-financial Information reviews, specifically in information on economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in a limited assurance independent report based on the work we have performed. We carried out our work in accordance with the requirements laid down in the current International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and in the Guidelines for verification engagements of the Statement of Non-Financial Information issued by the Spanish Institute of Auditors ("Instituto de Censores Jurados de Cuentas de España").

In a limited assurance engagement, the procedures performed vary in nature and timing of execution, and are less extensive, than those carried out in a reasonable assurance engagement and accordingly, the assurance provided is also lower.

Our work consisted of posing questions to management as well as to the various units of Bankinter that were involved in the preparation of the SNFI, of the review of the processes for compiling and validating the information presented in the SNFI, and in the application of certain analytical procedures and review procedures on a sample basis, as described below:

- Meetings with the Bankinter, S.A. personnel to understand the business model, policies and management approaches applied, principal risks relating to these matters and to obtain the information required for the external review.
- Analysis of the scope, relevance and integrity of the content of the SNFI for the year 2021, based on the materiality analysis carried out by Bankinter and described in section "Sustainability management", taking into account the content required by current mercantile legislation.
- Analysis of the procedures used to compile and validate the information presented in the SNFI for the year 2021.
- Review of information relating to risks, policies and management approaches applied in relation to material matters presented in the SNFI for the year 2021.
- Verification, by means of sample testing, of the information relating to the content of the SNFI for the year 2021 and that it was adequately compiled using data provided by the sources of the information.
- Obtaining a management representation letter from the directors and management of the Parent company.

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Conclusion

Based on the procedures performed in our verification and the evidence we have obtained, nothing has come to our attention that causes us to believe that the SNFI of Bankinter, S.A. and its subsidiaries, for the year ended 31 December 2021 has not been prepared, in all material respects, in accordance with the provisions of current mercantile legislation and following the criteria of the GRI Standards described in line with the Exhaustive option and the Financial Services Sector Disclosures of the GRI G4 Guidelines as per the details provided for each matter in the Appendix I: "Requirements of Law 11/2018 regarding non-financial and diversity information" and in the Appendix II: "GRI index" of the aforementioned Statement.

Emphasis of matter

The Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 relating to the establishment of a framework to facilitate sustainable investments, establishes the obligation to disclose information on the manner and extent to which the assets of the company are associated with economic activities eligible according to Taxonomy for the first time for the year 2021, provided that the SNFI is published as of 1 January 2022. Consequently, comparative information on this matter has not been included in the accompanying SNFI. In addition, information has been included in respect of the criteria that the directors of Bankinter have chosen to apply that, in their opinion, best allow compliance with the new obligation and that are defined in note "3.2.5 Adaptation to EU taxonomy" of the accompanying SNFI. Our conclusion has not been modified in relation to this matter.

Use and distribution

This report has been drawn up in response to the requirement established in current Spanish mercantile legislation and therefore may not be suitable for other purposes and jurisdictions.

PricewaterhouseCoopers Auditores, S.L.

Original in Spanish signed by

Ramón Abella Rubio

22 February 2022

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bankinter.