

**Statement of Principal  
Adverse Impacts of  
investment decisions on  
sustainability factors**

## Contents:

1. Summary
2. Description of the Principal Adverse Impacts (PAIs) on sustainability factors.
3. Description of policies to detect and prioritise Principal Adverse Impacts
4. Engagement policies
5. References to international standards
6. Historical comparison

## 1. Summary

Bankinter, S.A., with LEI code VWMYAEQSTOPNVOSUGU82, takes into consideration, as part of its due diligence process as financial market participant, the Principal Adverse Impacts (PAIs) of its investment decisions on sustainability factors.

This statement consolidates the Principal Adverse Impacts on sustainability factors of Bankinter, S.A. (including its branch in Portugal, with LEI code 529900H11LEUBMTAMY36), and its subsidiaries, namely Bankinter Gestion de Activos, SGIIC, S.A. (with LEI code 95980020140005950351, and including its branch in Portugal, with LEI code 529900866UQI1Y2F2U65). All the above will from now on be referred to as Bankinter.

Taking into consideration PAIs in sustainability-conscious investments means ensuring that investments do not cause significant harm to any environmental or social objectives.

This Statement of Principal Adverse Impacts on sustainability factors covers the reporting period from 1 January 2022 to 31 December 2022.

Bankinter respects and champions sustainable and inclusive development by ensuring compliance with national, European and international environmental, social and labour law and regulations, and undertakes to carry out its activity in strict compliance with applicable prevailing legislation.

Bankinter has in place engagement policies demonstrating active commitment to ESG factors, enabling it to systematically analyse and monitor Principal Adverse Impacts, taking appropriate mitigation measures where necessary.

## 2. Description of the Principal Adverse Impacts (PAIs) on sustainability factors.

Bankinter considers PAIs, i.e., negative impacts on sustainability factors (ESG), in the provision of portfolio management services for both customers and Pension Funds (PF), as well as in the management of Collective Investment Institutions, and has adopted a Due Diligence Policy for this purpose, enabling it to identify and assess PAIs.

Bankinter is required to collect and report data on PAI indicators and publish them annually in quantitative and qualitative form. Quantitative data is to be provided for the PAI indicators set out as mandatory in the Disclosure Regulation (see **Table 1 in Appendix I**), as long as data is available.

Beyond the set of mandatory indicators, we include two additional indicators: an indicator included in **Table 2 of Appendix I**, related to climate change (4. Investments in companies without initiatives to reduce carbon emissions) and an indicator included in **Table 3 of Appendix I**, related to social and labour issues, respect for human rights, and the fight against corruption and bribery (15. Lack of anti-corruption and bribery policies).

The average results observed for the PAIs identified by Bankinter at 31 March, 30 June, 30 September and 31 December 2022 are shown below, together with the measures taken to reduce their impact.

The results of the indicators have been derived from data provided by the data provider MSCI Inc.

Indicators applicable to investments in companies						
Sustainability indicator in relation to PAIs	Parameter	Result at year-end 2022	Coverage	Explanation	Measures taken, measures planned and targets set for the next reporting period	
<b>INDICATORS RELATED TO CLIMATE CHANGE AND OTHER INDICATORS RELATED TO THE ENVIRONMENT</b>						
<u>Greenhouse Gas (GHG) emissions</u>	1. GHG emissions	Scope 1 GHG emissions	213,047.90	93.56%	Summatory of carbon emissions of Scope 1 portfolio companies (tCO <sub>2</sub> e), weighted by the value of the portfolio's investment in each company and by the most recent available enterprise value of the company, including cash.	In its portfolio selection and management processes, Bankinter takes into consideration environmental, social and corporate governance factors. Portfolio managers include an ESG rating in their financial analyses, derived from data provided by MSCI Inc. This ESG rating aims to measure a company's ability to address environmental, social and governance risks that are deemed financially relevant, considering aspects such as emissions and carbon footprint.
		Scope 2 GHG emissions	40,684.73	93.56%	Summatory of the carbon emissions of the companies in the Scope 2 portfolio (tCO <sub>2</sub> e), weighted by the value of the portfolio's investment in each company and by a company's most recent available enterprise value, including cash.	
		Scope 3 GHG emissions	1,534,633.52	93.35%	Summatory of total estimated emissions of the companies in the Scope 3 portfolio (tCO <sub>2</sub> e), weighted by the value of the portfolio's investment in each company and by a company's most recent available enterprise value, including cash.	
		Total GHG emissions	1,788,836.42	93.35%	Total annual Scope 1, Scope 2 and estimated Scope 3 GHG emissions associated with the market value of the portfolio. Companies' carbon emissions are allocated across all outstanding shares and bonds (according to the most recent enterprise value available, including cash).	

	<b>2. Carbon footprint</b>	Carbon footprint	632.98	93.35%	The estimated total annual Scope 1, Scope 2 and Scope 3 GHG emissions associated with a portfolio investment of EUR 1 million. Companies' carbon emissions are allocated across all outstanding shares and bonds (according to the most recent enterprise value available, including cash).	<p>To avoid investments in highly polluting industries, an exclusion policy has been adopted, setting limits on investment in certain activities, helping avoid or reduce emissions. Bankinter's exclusion policy will be periodically reviewed and updated according to developments in the environmental sectors, and the demands and requirements set by regulators and analysts. Bankinter is committed to continuously adapting and improving its exclusion criteria to ensure that they effectively reflect current and future environmental challenges and meet the most rigorous standards set by the competent authorities and the investment community.</p>
	<b>3. GHG intensity of companies in which we invest</b>	GHG intensity of the companies in which we invest	1,076.21	96.02%	Portfolio weighted average GHG intensity of investee issuers (estimated Scope 1, Scope 2 and Scope 3 GHG emissions/EUR million benefits).	
	<b>4. Exposure to companies active in the fossil fuel sector</b>	Share of investments in companies active in the fossil fuel sector	12.35%	97.10%	Percentage of the portfolio's market value exposed to issuers involved in fossil fuel activities, including the extraction, processing, storage and transportation of petroleum products, natural gas and thermal and metallurgical coal.	
	<b>5. Proportion of production and consumption of non-renewable energy</b>	Share of non-renewable energy consumption and non-renewable energy production of investees from non-renewable energy sources compared to renewable energy sources (ratio over all energy sources)	69.21%	93.70%	Portfolio weighted average of issuers' energy use and/or generation from non-renewable sources as a percentage of total energy used and/or generated.	

<p><b>6. Intensity of energy consumption by sector with high climate impact</b></p>	<p>NACE code A (agriculture, forestry and fisheries)</p>	<p>0.50</p>	<p>93.94%</p>	<p>Portfolio weighted average energy consumption intensity (GWh/million EUR of benefits) of issuers classified in NACE code A (agriculture, forestry and fishing)</p>	<p>Bankinter also uses its voting policy to promote and support sustainable strategies and measures in companies in which it participates, in collaboration with ISS. Additional data collection related to voting policies is currently underway, with the aim of strengthening the capacity to influence and lobby companies on sustainability issues. Various ways of using voting policies are being explored and will be reviewed with the aim of supporting the achievement of sustainability objectives.</p>
	<p>NACE code B - (mining and quarrying)</p>	<p>5.85</p>	<p>93.94%</p>	<p>Portfolio weighted average energy consumption intensity (GWh/million EUR revenue) of issuers classified under NACE code B (extractive industries)</p>	
	<p>NACE code C (manufacture)</p>	<p>0.90</p>	<p>93.94%</p>	<p>Portfolio weighted average energy consumption intensity (GWh/EUR million profits) of issuers classified under NACE code C (manufacturing)</p>	
	<p>NACE code D - (supply of electricity, gas, steam and air conditioning)</p>	<p>3.88</p>	<p>93.94%</p>	<p>Portfolio weighted average energy intensity (GWh/EUR million profits) of issuers classified under NACE code D (electricity, gas, steam and air conditioning supply)</p>	
	<p>NACE code E - (water supply, sanitation, waste management and decontamination)</p>	<p>1.86</p>	<p>93.94%</p>	<p>Portfolio weighted average of the intensity of energy consumption (GWh/EUR million benefits) for issuers classified under NACE code E (water supply, sanitation, waste management and decontamination)</p>	
	<p>NACE code F (construction)</p>	<p>0.23</p>	<p>93.94%</p>	<p>Portfolio weighted average energy consumption intensity (GWh/EUR million profits) of issuers classified under NACE code F (construction)</p>	
	<p>NACE code G - (wholesale and retail trade; repair of motor vehicles and motorbikes)</p>	<p>0.17</p>	<p>93.94%</p>	<p>Portfolio weighted average energy intensity (GWh/EUR million profit) of issuers classified under NACE code G (wholesale and retail trade; repair of motor vehicles and motorcycles)</p>	
	<p>NACE code H - (transport and storage)</p>	<p>2.16</p>	<p>93.94%</p>	<p>Portfolio weighted average energy intensity (GWh/EUR million revenue) of issuers classified under NACE code G (wholesale and retail trade; repair of motor vehicles and motorcycles)</p>	
	<p>NACE code L - (real estate activities)</p>	<p>0.31</p>	<p>93.94%</p>	<p>Portfolio weighted average energy consumption intensity (GWh/million EUR revenue) of issuers classified under NACE code L (real estate activities)</p>	

<p><b>Biodiversity</b></p>	<p><b>7. Activities detrimental to biodiversity-sensitive areas</b></p>	<p>Proportion of investments in companies with headquarters or operations located in or near sensitive biodiversity areas where the activities of such companies adversely affect these areas.</p>	<p>0.00%</p>	<p>97.10%</p>	<p>Percentage of the market value of the portfolio exposed to issuers that reported having operations in or near areas of vulnerable biodiversity and have been involved in controversies with serious or very serious environmental impacts.</p>	<p>In its portfolio selection and management processes, Bankinter takes into consideration environmental, social and corporate governance factors. Portfolio managers include an ESG rating in their financial analyses, derived from data provided by MSCI Inc. Maximum rating levels have been set according to the type of product and its taxonomic classification, ensuring that products meet certain ESG performance levels. This ESG rating aims to measure a company's ability to address environmental, social and governance risks that are deemed financially relevant, considering aspects related to biodiversity and land use.</p> <p>In order to avoid investments in industries that are highly damaging to the biosphere, an exclusion policy has been adopted banning investment in companies that produce palm oil. Bankinter's exclusion policy will be periodically reviewed and updated according to developments in the environmental sectors, and the demands and requirements set by regulators and analysts. Bankinter is committed to continuously adapting and improving its exclusion criteria to ensure that they effectively reflect current and future environmental challenges and meet the most rigorous standards set by the competent authorities and the investment community.</p> <p>Bankinter also uses its voting policy to promote and support sustainable strategies and measures in companies in which it participates, in collaboration with ISS. Additional data collection related to voting policies is currently underway, with the aim of strengthening the capacity to influence and lobby companies on sustainability issues. Various ways of using voting policies are being explored and will be reviewed with the aim of supporting the achievement of sustainability objectives.</p>
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<p><u>Water</u></p>	<p><b>8. Emissions into water</b></p>	<p>Tonnes of emissions into water generated by investee companies per EUR million invested (weighted average)</p>	<p>100.12</p>	<p>10.32%</p>	<p>Total annual wastewater discharged (metric tonnes reported) into surface water as a result of industrial or manufacturing activities associated with a portfolio investment of EUR 1 million. Companies' emissions into water are allocated across all outstanding shares and bonds (according to the most recent enterprise value available, including cash).</p>	<p>In its portfolio selection and management processes, Bankinter takes into consideration environmental, social and corporate governance factors. Portfolio managers use an ESG rating derived from data provided by MSCI Inc. This ESG rating aims to measure a company's ability to address environmental, social and governance risks that are deemed financially relevant, considering aspects such as those related to water stress.</p> <p>Bankinter also uses its voting policy to promote and support sustainable strategies and measures in companies in which it participates, in collaboration with ISS. Additional data collection related to voting policies is currently underway, with the aim of strengthening the capacity to influence and lobby companies on sustainability issues. Various ways of using voting policies are being explored and will be reviewed with the aim of supporting the achievement of sustainability objectives.</p>
<p><u>Waste</u></p>	<p><b>9. Ratio of hazardous and radioactive waste</b></p>	<p>Tonnes of hazardous and radioactive waste generated by investees per EUR million invested (weighted average)</p>	<p>13.37</p>	<p>43.34%</p>	<p>The total annual hazardous waste (reported metric tonnes) associated with a portfolio investment of EUR 1 million. Companies' hazardous waste is allocated across all outstanding shares and bonds (according to the most recent enterprise value available, including cash).</p>	<p>In its portfolio selection and management processes, Bankinter takes into consideration environmental, social and corporate governance factors. Portfolio managers use an ESG rating derived from data provided by MSCI Inc. This ESG rating aims to measure a company's ability to address environmental, social and governance risks that are deemed financially relevant, considering aspects such as those related to electronic and toxic waste.</p> <p>Bankinter also uses its voting policy to promote and support sustainable strategies and measures in companies in which it participates, in collaboration with ISS. Additional data collection related to voting policies is currently underway, with the aim of strengthening the capacity to influence and lobby companies on sustainability issues. Various ways of using voting policies are being explored and will be reviewed with the aim of supporting the achievement of sustainability objectives.</p>

**INDICATORS ON SOCIAL AND LABOUR ISSUES, RESPECT FOR HUMAN RIGHTS, AND THE FIGHT AGAINST CORRUPTION AND BRIBERY**

<b>Social and labour issues</b>	<b>10. Violations of the principles of the UN Global Compact and the Organisation for Economic Cooperation and Development Guidelines</b>	Proportion of investments in companies that have been linked to violations of the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises.	2.66%	97.43%	Percentage of the portfolio's market value exposed to issuers with very serious controversies related to their operations and/or products.	Bankinter has been a signatory to the United Nations Global Compact since 2004 and has been a member of the United Nations Programme Finance Initiative (UNEPFI) since 2020. Bankinter also embraces the commitments on fundamental labour rights set out in the Declaration of the International Labour Organisation (ILO).
	<b>11. Lack of processes and mechanisms to monitor compliance with the UN Global Compact principles</b>	Proportion of investments in companies without policies to monitor compliance with the principles of the UN Global Compact or the OECD Guidelines for Multinational Enterprises or without mechanisms for handling complaints or grievances regarding breaches of the principles of the UN Global Compact or the OECD Guidelines for Multinational Enterprises	26.18%	96.46%	Percentage of the portfolio's market value exposed to issuers that are not signatories to the UN Global Compact	<p>During the financial year 2022, the Bank has signed up to more than 30 engagement initiatives related to human rights, labour rights, environmental protection and anti-corruption, in tune with the principles of the UN Global Compact.</p> <p>In its portfolio selection and management processes, Bankinter takes into consideration environmental, social and corporate governance factors. Portfolio managers use an ESG rating derived from data provided by MSCI Inc., considering aspects such as those related to employee management, human capital development and community relations.</p> <p>Bankinter's exclusion policy also lists companies that are found not respecting or supporting essential human rights, as understood by the United Nations Universal Declaration of Human Rights. Also excluded are companies that do not respect or support labour rights in general and in particular child labour, discrimination and forced labour rights, based on the core conventions of the International Labour Organisation (ILO).</p>
	<b>12. Wage gap between men and women, unadjusted</b>	Unadjusted average gender pay gap for investee companies	14.13%	37.33%	Portfolio weighted average of the difference between the average gross hourly earnings of male and female employees, expressed as a percentage of the gross earnings of employees	The data currently available on the gender pay gap is limited, and few companies publish this information, complicating the inclusion of this indicator in the analysis.

	<b>13. Gender diversity in the board of directors</b>	Ratio between the number of women on the board of directors and the total number of board members (men and women) in investee companies	38.35%	96.52%	Weighted average of the proportion of women and men among board members.	Bankinter also uses its voting policy to promote and support sustainable strategies and measures in companies in which it participates, in collaboration with ISS. Through proxy voting, Bankinter exerts special pressure to promote gender equality on boards of directors, actively seeking to achieve parity between men and women in these management positions, thereby promoting diversity and inclusion in the companies in which it invests.
	<b>14. Exposure to controversial weapons (landmines, cluster munitions, chemical and biological weapons)</b>	Share of investments in companies involved in the manufacture or sale of controversial weapons	0.09%	97.10%	The percentage of the portfolio's market value exposed to issuers linked to the landmine, cluster munitions, chemical weapons, or biological weapons industries. NB: industry linkages include ownership, manufacturing, and investment. Links to landmines do not include related security products.	Bankinter lists investments in controversial weapons companies in its exclusion policy.
<b>Indicators applicable to investments in sovereign and supranational entities</b>						
	<b>Sustainability indicator in relation to PAIs</b>	<b>Parameter</b>	<b>Result at year-end 2022</b>	<b>Coverage</b>	<b>Explanation</b>	<b>Measures taken, measures planned and targets set for the next reporting period</b>
<u>Environmental</u>	<b>15. GHG intensity</b>	GHG intensity of the countries receiving the investment	250.09	93.46%	Portfolio weighted average GHG emissions intensity of sovereign issuers (scope 1, 2 and 3 emissions/EUR million of GDP)	Bankinter also considers environmental, social and corporate governance factors in its processes for selecting investments in sovereign entities. Portfolio managers include an ESG rating in their financial analyses, derived from data provided by MSCI Inc.  To avoid investments in highly polluting industries, an exclusion policy has been adopted, setting limits on investment in certain activities, helping avoid or reduce emissions.

<u>Social</u>	<b>16. Social violations in countries receiving the investment</b>	Number of investee countries involved in social violations (absolute number), as referred to in international treaties and conventions, UN principles and, where applicable, national legislation.	2	95.34%	Number of single sovereign issuers in the portfolio subject to European External Action Service (EEAS) restrictive measures (sanctions) on imports and exports	Bankinter has been a signatory to the United Nations Global Compact since 2004 and has been a member of the United Nations Programme Finance Initiative (UNEPFI) since 2020.
		Number of investee countries involved in social violations (relative number divided by all investee countries), as referred to in international treaties and conventions, UN principles and, where applicable, national legislation	9.22%	95.34%	Percentage of single sovereign issuers in the portfolio subject to European External Action Service (EEAS) restrictive measures (sanctions) on imports and exports	
<b>Indicators applicable to investments in real estate assets</b>						
<b>Sustainability indicator in relation to PAIs</b>		<b>Parameter</b>	<b>Result at year-end 2022</b>	<b>Coverage</b>	<b>Explanation</b>	<b>Measures taken, measures planned and targets set for the next reporting period</b>
<u>Fossil fuels</u>	<b>17. Exposure to fossil fuels through real estate assets</b>	Proportion of investments in real estate assets related to the extraction, storage, transportation, or manufacture of fossil fuels	N/A		N/A	N/A
<u>Energy efficiency</u>	<b>18. Exposure to energy inefficient real estate assets</b>	Percentage of investments in energy inefficient real estate assets	N/A		N/A	N/A

**Other indicators of the principal adverse impacts on sustainability factors.**

Sustainability indicator in relation to PAIs	Parameter	Result at year-end 2022	Coverage	Explanation	
INDICATORS RELATED TO CLIMATE CHANGE AND OTHER INDICATORS RELATED TO THE ENVIRONMENT					
<u>Emissions</u>	<b>4. Investments in companies without initiatives to reduce carbon emissions</b>	Percentage of investments in companies without initiatives to reduce carbon emissions aimed at complying with the Paris Agreement	43.32%	95.97%	The percentage of the portfolio's market value exposed to issuers without a carbon emissions reduction target aligned with the Paris Agreement.
INDICADORES SOBRE ASUNTOS SOCIALES Y LABORALES, EL RESPETO DE LOS DERECHOS HUMANOS Y LA LUCHA CONTRA LA CORRUPCIÓN Y EL SOBORNO					
<u>Fight against corruption and bribery</u>	<b>15. Lack of anti-corruption and bribery policies</b>	Share of investments in entities without anti-corruption and anti-bribery policies consistent with the United Nations Convention against Corruption	3.54%	97.02%	The percentage of the portfolio's market value exposed to issuers without an anti-corruption and anti-bribery policy consistent with the United Nations Convention against Corruption.

### 3. Description of policies to detect and prioritise PAIs

The **Sustainability Policy, approved on 27 March 2021**, sets the framework of action within which the Group will integrate the principles of responsible management into its businesses, on the path to generating economic, social and environmental value and contributing to sustainable development across all regions in which it operates.

The Sustainability Policy adds to the rest of the Group's internal policies and codes, which include the standards and guidelines defined by the Bank in all key areas.

Notably, Bankinter counts with a **policy for integrating sustainability risks** into its investment decisions, in addition to all the other policies required by applicable legislation regarding sustainability.

Bankinter has also drawn up a number of additional policies, such as the **Environment and Climate Change Policy**, the **Inclusion and Diversity Policy**, the **Anti-Corruption Policy**, the **Sustainable Investment Principles** and the **Human Rights Policy**.

To identify, prevent and mitigate potential adverse impacts, i.e. negative impacts on ESG factors, Bankinter adopts the **Due Diligence Policy**, which enables these adverse impacts to be identified and assessed.

When identifying and assessing the PAIs, Bankinter shall use all the means at its disposal, including: ESG analysis providers (MSCI Inc.), sustainability consultants, public company information and/or direct communication with companies, which in turn allows for the identification of the main adverse impacts on ESG factors and their inclusion in investment decisions.

The methodology to identify PAIs is subject to the availability and quality of the data and depends on the quality of data received from a third-party data provider – MSCI.

Information reported by investee companies is prioritised as much as possible, minimising reliance on third-party estimates, and contributing to improve the overall quality of the data we use

Where reported data is not available or of inadequate quality, we use estimates provided by our external data provider – MSCI <https://www.msci.com/notice-and-disclaimer-for-reporting-licenses>

For example, a limitation in terms of data availability is that we may not be able to collect the same level of information on the impact of indirect investments, fund of funds investments and certain derivatives. We continually strive to improve data coverage.

## 4. Engagement policies

Bankinter has delegated the management of practically all discretionary portfolio management contracts to its subsidiary Bankinter Gestión de Activos, SGIIC, S.A., and therefore the policy applicable to the portfolio management services is that adopted by this subsidiary. To be clear, Bankinter has not been delegated the exercise of voting rights in its discretionary portfolio management contracts by its customers, which limits the involvement activities that it must carry out.

The discretionary management contracts that have not been delegated are portfolios of Collective Investment Institutions, where the engagement actions and, if applicable, the exercise of the rights of votes is exercised by the managers of the investee institutions. In any case, indirect investments do not represent a relevant percentage of the portfolio's shares or voting rights in listed companies admitted to trading on a regulated market located in a Member State of the European Union.

To the extent that Bankinter Gestión de Activos, SGIIC, S.A. considers it appropriate and taking into account, among other things, the investment strategy and the nature and size of its global investment in certain companies, it will monitor aspects affecting said companies in terms of their business strategies, financial and non-financial performance and risk, capital structure, social and environmental impact and corporate governance.

Bankinter Gestión de Activos, SGIIC, S.A. may use various sources and mechanisms to carry out this monitoring, including, among others, the review of non-financial information, in particular, that relating to ESG risks and factors.

Bankinter Gestión de Activos, SGIIC, S.A. interprets its fiduciary duty to the unit holders of the managed assets as a duty to maximise the value of their investments in both the long and short term, and as a duty to fulfil its responsibilities not only by participating as a shareholder but also by participating actively in companies' management.

Bankinter Gestión de Activos, SGIIC, S.A. believes that this engagement can deliver faster growth and higher long-term profitability. Bankinter Gestión de Activos, SGIIC, S.A. believes it is possible to improve long-term profitability and generate a positive impact on sustainability by integrating sustainability risks and factors into its managed assets and investee companies.

## 5. References to international standards

Bankinter respects and champions sustainable and inclusive development by ensuring compliance with national, European and international environmental, social and labour law and regulations, and undertakes to carry out its activity in strict compliance with applicable prevailing legislation.

Bankinter embraces the human rights commitments enshrined in international agreements such as the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work and the Charter of Fundamental Rights of the European Union. All these commitments are tied to indicators related to social issues, respect for human rights and the fight against corruption and bribery. For instance, indicators 1.10. (Violations of the principles of the UN Global Compact and the Organisation for Economic Cooperation and Development Guidelines) and 1.11. (Lack of processes and mechanisms to monitor compliance with the UN Global Compact principles) directly measure adherence to these commitments.

Bankinter is a member of the United Nations Environment Programme specific to the financial sector and since 2020 it has joined the UNEP FI (United Nations Environment Programme Finance Initiative), adhering to the Principles of Responsible Banking, a framework developed through an alliance of banks from all over the world to carry out sustainable banking activities.

Bankinter has 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 has demonstrated its support for and compliance with the recommendations of the TCFD (Task Force Climate-related Financial Disclosures for Banks). The Financial Stability Board (FSB) set up the Task Force on Climate-related Financial Disclosures (TCFD) in 2015 at the request of the G20 leaders and led by Michael Bloomberg. This task force recognises the significant threat that climate change poses to the global economy. The recommendations encourage consistent, reliable and clear climate-related financial disclosures. Its final recommendations, published in June 2017, are widely supported by governments, investors and financial leaders, and are trending today as best practice in climate reporting.

Bankinter signed up to the "Financial Commitment for Biodiversity", organised by the United Nations Development Programme, the United Nations Environment Programme and the Convention on Biological Diversity. This



adherence has an impact on indicator 1.7 (Activities detrimental to biodiversity-sensitive areas).

Bankinter is a member of the UN's ethical commitment initiative (United Nations Global Compact) aimed at encouraging entities, companies and organisations in different countries to adopt, as an integral part of their strategy and activities, ten specific principles of conduct in the areas of human rights, labour relations, the environment and anti-corruption. Global Compact membership is also linked to indicators 1.10 and 1.11 above, through which Bankinter monitors possible breaches of the initiative's principles.

The Bank adhered to the Equator Principles, a leading international initiative in the financial sector with the objective of evaluating and managing the environmental and social risks of the projects to be financed. Bankinter undertakes to evaluate the practices in environmental, social and human rights issues, and to act in accordance with the principles established in its policies, in the due diligence processes carried out prior to entering into financing agreements or any other type of contract and within the framework of the Equator Principles and the environmental and social risk management policies.

Bankinter is committed to supporting sustainable development, satisfying present needs without compromising those of future generations, through the development of responsible and profitable economic practices and instruments, undertaking to achieve this objective through the prevention, identification and quantification of the social and environmental impact of its activities, complying with national and international regulations.

As a financial institution concerned about and committed to climate change and the deterioration of natural capital, Bankinter has set up an Environmental and Climate Change Policy, undertaking to develop a corporate climate change and natural capital strategy in line with the Sustainable Development Goals and the Paris Climate Agreement.

In addition to adhering to the above international standards, Bankinter has approved an exclusion policy for use by Bankinter Gestion de Activos, available to the general public on its website. This policy enables the company to develop its activities responsibly towards a transition committed to future challenges and sustainable development in line with the essential principles governing its Sustainability strategy; preserving environmental and social resources for future generations, respecting diversity and promoting the training and recognition of social groups in need of specific support. The policy aims to avoid investing in companies whose business is wholly or partly associated with all the so-called "controversial activities", characterised by generating a high negative impact in environmental or social terms, due to the resources they consume, the waste they generate, the impact of the goods or services they produce on the

environment or on society and/or bad practices that they apply in the management of their human resources.

Bankinter uses information provided by external suppliers to draw up a list of companies or issuers to be excluded, in accordance with the established guidelines. The process of implementation, analysis and monitoring is also carried out with the help of these providers. Exclusions are communicated to the relevant departments, preventive controls are put in place and actions are taken in case of non-compliance.

These exclusions allow Bankinter to align its ESG investment strategies with special consideration to certain PAIs, excluding activities related to coal, oil or gas and tied to the greenhouse gas emissions indicators (indicators 1.1, 1.2, 1.3, 1.4, 1.5 and 1.6), and activities related to palm oil, tied to indicator 1.7 (Activities detrimental to biodiversity-sensitive areas).

Although climate scenarios are not currently considered in the investment decision-making process, Bankinter recognises the importance of considering the risks and opportunities related to climate change in its investments and understands that the transition to a low-carbon economy is critical to ensuring the long-term stability and success of its assets. Bankinter is therefore carefully evaluating the options available in integrating climate scenarios into its investment practices.

## 6. Historical comparison

The historical comparison of the reporting period with the previous reporting period will be made from 2024 onwards.

<b>Publication date</b>	30 June 2023
<b>Next revision date</b>	30 June 2024