

Principles and policies related to the sustainability of investment

Bankinter is aware that the financial sector contributes in an essential way to economic development. Aware of its role, the Bank wishes to develop its activities responsibly and encourage its customers to move towards a transition committed to future challenges and sustainable development.

The fundamental principle that governs the Group's Corporate Responsibility strategy is that its business goals are compatible with the sustainable development of society; preserving environmental and cultural resources for future generations, respecting diversity and promoting the formation and recognition of social groups that require specific support. These principles are complemented by other Bank policies, including:

- The Bankinter Human Rights Policy
- The Bankinter Environment Policy
- The Bankinter Sustainability Policies

To avoid funding activities that may be contrary to the Group's sustainability principles, an exclusion policy is shown below for those business areas that have a high environmental, social or economic impact due to the resources they consume, the human capital they apply or the controversy they generate. This policy is complemented by sectoral policies/guidelines for certain sectors.

In addition to the exclusion policy and the sectoral guides and in accordance with the high impact they generate, a general analysis has been made of the social and environmental impact of the projects to be financed prior to making investment decisions in the following sectors:

- Defence sector
- Medical research
- Primary sector
- Energy sector
- Transport infrastructures
- Tourism sector
- Desalination plants and wastewater treatment plants

It should be noted that the analyses are carried out on the basis of the public information available from the companies requesting financing and about the documentation provided by the company itself.

Among the main recommendations and principles on which Bankinter bases its policies are:

- The Equator Principles, to which Bankinter is affiliated and whose objective is the evaluation and management of the environmental and social risks of the projects to be financed.
- The United Nations Global Compact, to which the Bank has adhered since 2008 and assumes the assumption of its ten principles of conduct and action in the area of human, labour, environmental and anticorruption rights.
- The United Nation's Universal Declaration of Human Rights.
- The fundamental Conventions of the International Labour Organisation (ILO).

- The Financial Initiative of the United Nations Programme for the Environment, making use of its recommendations and of the specific sectorial guidelines of the International Finance Corporation (IFC).
- The United Nations Sustainable Development Goals.
- The list of Protected Areas, Critical Natural Habitats and World Heritage zones.

Exclusion policy

Based on the principles that characterise Bankinter and with which it intends to lead, together with its customers, a transition towards sustainable development, the Bank has made the commitment to not finance or invest, in general and with exceptions that must be duly justified, in:

- Companies with evidence that fundamental human rights are not respected or supported, following the Universal Declaration of Human Rights of the United Nations.
- Companies that do not respect or do not support employment rights, in general and particularly the rights on child labour, discrimination and forced labour, based on the principles of the fundamental Conventions of the International Labour Organisation (ILO).
- Organisations and companies that have been legally convicted for corruption problems.
- Organisations and companies that have contributed directly and significantly to dictatorial regimes and have obtained a benefit from that situation.
- Organisations and companies that recurrently and seriously violate current legislation, or the codes or agreements that apply to them, especially in criminal, labour and environmental matters.
- Organisations and companies related in any way to child pornography.
- Organisations and companies related in any way to sexual exploitation.
- Activities or projects that pose a risk or generate impact in areas included in the list of UNESCO World Heritage sites and the list of United Nations Protected Areas.
- In addition, in relation to the sectors considered to be controversial or of special risk by Bankinter, a commitment has been made to not finance or invest, in general terms and with exceptions that must be duly justified, in:

The following activities from the Defence Sector

- Companies that produce and/or sell controversial weapons: antipersonnel mines, cluster bombs, chemical and biological weapons; weapons of mass destruction and/or ammunition containing depleted uranium.
- Countries that are under a United Nations or European Union arms embargo.
- Non-governmental armed groups that do not have the support of the United Nations or the European Union.
- Countries that have been sanctioned or in which there is a clear risk that the weapons can be used for internal repression and violations of Human Rights according to the Universal Declaration of Human Rights and the Optional Protocol on the Convention on the Rights of the Child.

The following activities from the Extractive Sector

- The mining area or associated facilities are located in areas that are considered UNESCO World Heritage or wetlands included in the Ramsar list.
- The activities carried out are related to the extraction, processing and commercialisation of asbestos.
- The activities carried out require the displacement of vulnerable local populations, such as indigenous communities.
- The projects are related to the so-called "minerals in conflict", as long as they do not present the corresponding certification.
- The projects are related to the extraction and marketing of rough diamonds not certified by the Kimberley process.
- The activities take place within an area of active armed conflict.
- The projects do not operate in accordance with the requirements established in Convention C 176 on Safety and Health in mines approved in 1995 by the International Labour Organisation (ILO).
- Companies that can not provide a health and safety plan.
- The projects do not include a specific tailing treatment plan (to avoid contamination of surface and groundwater) and a plan to recover the environment after the completion of the activities.
- New coal mines or expansion of existing coal mines, excluding projects that are included in any of the Just Transition Programs.

Furthermore, the Bank pledges not to provide its financial services to clients whose activity comprises more than 25% thermal coal extraction and who lack a diversification or decarbonization strategy.

The following activities from the Agriculture Sector

- The project is in declared zones of high ecological and/or social value according to the main international organisations.
- The activity or company does not have a policy on the use of pesticides and fertilisers in large projects from the agriculture sector.
- The project is related to the extraction and sale of native species of wood that do not have an ecological certificate issued by an independent body.
- In the case of projects related to the production of palm oil, certification from the Roundtable on Sustainable Palm Oil (RSPO) will be required. This certification is only limited to the production of palm oil and not to products and manufacturing processes that use palm oil.

The following activities from the Energy Sector

- The area or associated facilities are located in UNESCO world heritage sites or Ramsar wetlands.
- The activities carried out involve displacing vulnerable local populations, such as indigenous communities.
- The activities are carried out in areas of active armed conflict.
- The projects involve child or forced labour as defined in the International Labour Organisation (ILO) conventions.
- Projects related to:

- New nuclear power plants
 - New coal-fired power plants or the expansion of existing plants
 - Oil and gas exploration and production in the Arctic
 - Oil sands exploration and production
 - Hydraulic fracturing extraction (fracking)
- Clients who:
- Cannot provide a track record and a health and safety plan for their workers and activities.
 - Have a significant coal-fired power generation (more than 25%) and lack a diversification/decarbonization strategy.
 - Engage in significant activities related to the extraction of unconventional oil and gas (oil sands, hydraulic fracturing, and/or exploration and production in the Arctic), representing more than 10% of their revenue, and do not have a diversification/decarbonization strategy.

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