

Second-Party Opinion

Bankinter Green Bond Framework



Evaluation Summary

Sustainalytics is of the opinion that the Bankinter Green Bond Framework is credible and impactful and aligns to the four core components of the Green Bond Principles 2018. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds are aligned with those recognized by the Green Bond Principles. Sustainalytics considers that investments into renewable energy and green buildings will lead to positive environmental impacts and advance the UN Sustainable Development Goals 7 and 11.



PROJECT EVALUATION / SELECTION Bankinter S.A's internal process in evaluating and selecting loans and projects is managed by a Green Bond Committee. Projects will be pre-selected by the Investment Banking Department and Commercial Department and presented to the Green Bond Committee who evaluates the projects against eligibility criteria and makes the final decision. The Committee will meet at least twice a year to review project eligibility. Sustainalytics views this process as aligned with market practice.



MANAGEMENT OF PROCEEDS Bankinter S.A's processes for management of proceeds is handled by the Green Bond Committee. Loans will be tracked by the committee and a register will be managed by the Treasury Department. Unallocated proceeds will be invested in green bonds of European issuers that are in line with the Bank's investment guidelines. Sustainalytics views this process as aligned with market practice and positively highlights the temporary allocation of unallocated proceeds into green bonds.



REPORTING Bankinter S.A intends to report on allocation of proceeds on its website on an annual basis until full allocation. In addition, Bankinter S.A is committed to reporting on relevant impact metrics. Sustainalytics views Bankinter S.A's allocation and impact reporting as aligned with market practice.

Evaluation Date	July 07, 2021 ¹
Issuer Location	Madrid, Spain

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For inquiries, contact the Sustainable Finance Solutions project team:

Charles Cassaz (Amsterdam) Project Manager charles.cassaz@sustainalytics.com (+31) 20 205 02 09
Anirban Sengupta (Mumbai) Project Support
Enrico Tessadro (Amsterdam) Client Relations susfinance.emea@sustainalytics.com (+44) 20 3880 0193

¹ This document is an update of a Second-Party Opinion, originally published on November 19, 2019, to which Sustainalytics has made minor revisions.

Introduction

Bankinter S.A. (“Bankinter”, or the “Bank”) provides retail and corporate banking services and financial services throughout Spain. The Bank offers mortgage loans, pension plans, life insurance, lease financing, credit cards, mutual funds, online stock brokerage, private banking and Internet banking services.

Bankinter has developed the Bankinter Green Bond Framework (the “Framework”) under which it intends to issue one or more green bonds and use the proceeds to finance and/or refinance, in whole or in part, loans to existing and/or future green building and renewable energy projects. The Framework defines eligibility criteria in the following areas:

1. Renewable Energy
2. Green Buildings

Bankinter engaged Sustainalytics to review the Bankinter Green Bond Framework, dated July 2021, and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2018 (GBP).² This Framework has been published in a separate document.³

Scope of work and limitations of Sustainalytics’ Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent⁴ opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the Green Bond Principles 2018, as administered by ICMA;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.9.1 which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of Bankinter’s management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. Bankinter representatives have confirmed (1) they understand it is the sole responsibility of Bankinter to ensure that the information provided is complete, accurate or up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Bankinter.

Sustainalytics’ Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics’ Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner.

² The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>.

³ The Bankinter Green Bond Framework is available on Bankinter’s website at: https://webcorporativa.bankinter.com/www2/corporativa/es/sostenibilidad/Green_Bond_Framework

⁴ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realised allocation of the bond proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that Bankinter has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Bankinter Green Bond Framework

Sustainalytics is of the opinion that the Bankinter Green Bond Framework is credible and impactful and aligns to the four core components of the GBP. Sustainalytics highlights the following elements of Bankinter's Green Bond Framework:

- Use of Proceeds:
 - The use of proceeds categories of the Bankinter Green Bond Framework, Renewable Energy and Green Buildings, are aligned with the those recognized by the Green Bond Principles. Sustainalytics notes that the assets financed under the Framework are expected to contribute to a low-carbon economy.
 - Within the Renewable Energy category, Bankinter may finance wind power, solar photovoltaic and concentrated solar power (CSP) assets. Bankinter has confirmed that CSP facilities will derive 100% of the electricity generated from solar energy sources.
 - Regarding financing for Green Buildings, for the acquisition of buildings that have been built after December 2018, the building must have an Energy Performance Certificate (EPC) label of A. For buildings built prior to 2018, buildings may have an EPC label of A – C, Bankinter has provided evidence to Sustainalytics that these buildings fall within the top 15% of building stock, which is aligned with market practice.
 - Bankinter may provide general purpose loans to companies that derive 90% of their revenue from activities that are described above. Sustainalytics recognizes that the GBP prefer project-based lending and financing, and that there is, in general, less transparency with non-project-based lending. While the Framework allows for general purpose lending to pure-plays, Sustainalytics notes the high threshold (90% of revenue) that Bankinter has established in order to deem a company eligible for inclusion.
 - Bankinter has established a look-back period of up three-years for the refinancing of assets, which is aligned with market practice.
- Project Evaluation and Selection:
 - The project evaluation and selection process is managed by the Green Bond Committee (the "Committee"), which is comprised of the Head of Funding & ALM, the Head of Sustainability, the Head of Project Finance, Head of Funding, Head of Investor Relations, Head of Product Department, Head of Risk Department and a member of the Treasury Coordination Desk. The Investment Banking Department and Commercial Department will pre-select and present potential eligible loans to the Committee, which is then ultimately responsible for evaluating the alignment against the eligibility criteria and determining asset eligibility. This process is overseen by the Sustainability Committee, which is headed by the Chairman of Bankinter. Sustainalytics positively highlights the broad representation of different departments in the Committee and views this process as robust and aligned with market practice.
- Management of Proceeds:
 - The Committee is responsible for the management of proceeds. Proceeds will be managed on a portfolio basis and loans will be tracked via a register managed by the Treasury team. Bankinter will strive to ensure that the value of portfolio assets match/exceed the total value of the bond. Unallocated funds will be invested in green bonds of European issuers that are in line with the bank investment guidelines. Sustainalytics positively highlights the temporary

investment of unallocated proceeds in other green bonds and views this process as aligned with market practice.

- Reporting:
 - On an annual basis, until full allocation, Bankinter will provide allocation and impact reporting on its corporate website. Regarding allocation of proceeds, Bankinter will disclose the total outstanding amount of green bonds, the total allocation of green bond proceeds to green loan categories, the share of financing vs refinancing, performance reporting on the positive environmental impact attributed to Bankinter's share of financing and, where possible additional information on green projects. Additionally, Bankinter will report on relevant key performance indicators, including total renewable energy generation (MWh/yr), installed renewable energy capacity (MW), GHG savings (tonnes CO₂-e/yr), EPC label information and reduction in energy use (MWh/yr). The Bank may hire an external auditor to verify allocation reporting. Sustainalytics views this process as aligned with market practice.

Alignment with Green Bond Principles 2018

Sustainalytics has determined that the Bankinter Green Bond Framework aligns to the four core components of the GBP. For detailed information please refer to Appendix 1: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Strategy of Bankinter

Contribution of framework to Bankinter's sustainability strategy

Bankinter established a Sustainability Policy in March 2021, which is based on a strategic plan for 2021 – 2030 called "Committed to sustainable and inclusive development."⁵ The policy integrates ESG principles into the bank's operations and aims to address challenges related to responsible business practices, sustainable finance, financial inclusion and climate change.

Bankinter's climate change strategy is focused towards identifying and mitigating climate change risks by supporting initiatives towards sustainable development. The Bank supports the recommendations of the Task Force on Climate-Related Financial Disclosures, to disclose and manage the risks and opportunities due to climate change at the Bank's management level. Some of the key objectives under the climate strategy involves achieving carbon neutrality by the end of 2020, reducing climate and environmental risks around Bank's operations and promoting expansion of sustainable finance products to involve more stakeholders in climate risk management.⁶

The activities financed by this Framework will contribute to the Bank's governance and environmental goals. For example, regarding the governance dimension, Bankinter considers the promotion of clean energy sources, specifically photovoltaic and wind power, as a key objective. In 2020, Bankinter financed sixteen renewable energy projects in Spain and Portugal.⁷ As per the Impact Report for the green bond that was issued in 2020, 80% of the portfolio consisted of renewable energy while the rest has been used for financing or refinancing green building and corporate lending to green pureplays. As a result of financing the various projects it was calculated that 267,628 tCO₂e emissions were avoided.⁸

The Bank also offers a wide range of sustainable finance products, including the Bankinter Sustainability Fund, which invests in equities that are included in social and environmental responsibility indices; Bankinter also has a dedicated Energy Efficiency and Environment Fund to invest in green projects, including electricity storage, renewable energies and water and waste management and a range of other sustainable finance products.⁹

⁵ Bankinter, "Sustainability Plan", (2021), at: <https://webcorporativa.bankinter.com/www2/corporativa/en/sostenibilidad/informe>

⁶ Bankinter, "Strategy for Climate Change", at:

https://webcorporativa.bankinter.com/www2/corporativa/en/sostenibilidad/eje_medioambiental/politica_medioambiental

⁷ Bankinter, "2020 Consolidated Non-Financial Information Statement", (2021), at:

https://webcorporativa.bankinter.com/stf/traduccion/ingles/web_corporativa/responsabilidad_corporativa/informe/einf_en.pdf

⁸ Bankinter, "Bankinter Green Bond Report" (2021), at:

https://webcorporativa.bankinter.com/stf/web_corporativa/responsabilidad_corporativa/bankinter_green_bond_framework/bankinter_green_bond_report_def.pdf

⁹ Bankinter, "Socially responsible investing", (2019), at:

https://webcorporativa.bankinter.com/www2/corporativa/en/sostenibilidad/eje_economico/principios_ecuador

In relation to the environmental dimension, the Bank's Environmental policy is broadly aimed at enhancing the positive impacts and minimizing the negative effects of its activity on the environment. This includes monitoring the impacts generated by the Bank's activities, both direct and indirect.⁷ Sustainalytics notes that the Bank has not established any time-bound quantitative targets related to its sustainable financing activities, which is encouraged. However, Sustainalytics is of the opinion that the Bank has a robust sustainability strategy and the activities financed under this Framework will contribute to that strategy.

Well-positioned to address common environmental and social risks associated with the projects

While Sustainalytics recognizes that the net proceeds from the bond(s) issued under the Framework will be directed towards eligible projects that are expected to have positive environmental impact, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks associated with financing eligible projects could include land use change, worker health and safety and related biodiversity risk. Sustainalytics is of the opinion that Bankinter is able to manage and/or mitigate potential risks through implementation of the following:

The Bank's Environment policy serves as an overarching framework for financing different projects and the Bank's operation. The policy ensures that the bank is compliant to all the applicable local and national environment laws, expand the coverage of operations under its Environment Management Systems and supports the development of products and services that promotes environment management and climate risk mitigation.¹⁰

Bankinter is not directly responsible for the environmental and social risks associated with the projects financed under this Framework, however, through its Risk Management and Control Framework, the Bank has defined Investment Sustainability Principles based on a wide range of recommendations including The United Nations Global Compact, to which the Bank has adhered since 2008. Bankinter is committed to ensuring that direct and indirect environmental impacts of its activities are identified, measured and controlled.⁷ Bankinter's financing and lending decisions include environmental and social criteria, however, Sustainalytics notes that it is not entirely clear what environmental and social criteria are considered during the investment decision-making process. Nevertheless, Bankinter has implemented an exclusion policy,¹¹ including specific activities from controversial sectors, such as the extractive sector's activities located in areas considered by UNESCO to be World Heritage sites or wetlands included in the Ramsar list. In addition, Bankinter adheres to the Equator Principles, an internationally recognized risk management framework, which intends to provide a minimum standard for due diligence.

Moreover, Bankinter has implemented an Environmental Management System ("EMS"), certified by the ISO 14001 standards, covering 47% of its workforce in Portugal and 44% in Spain.⁷ The EMS also covers Bankinter's suppliers and subcontractors and includes environmental clauses and certification criteria for projects.

Based on these policies, standards and assessments, Sustainalytics is of the opinion that Bankinter has implemented adequate measures and is well-positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

Section 3: Impact of Use of Proceeds

All two use of proceeds categories are aligned with those recognized by the GBP. Sustainalytics has focused on below where the impact is specifically relevant in the local context.

The importance of renewable energy in Spain

The EU and its Member States (i.e. including Spain) have committed to a binding target through their Intended Nationally Determined Contribution ("INDC") of at least a 40% domestic reduction in GHG emissions by 2030 compared to 1990 level,¹² as well as increasing the proportion of renewables in gross final energy use to 32%

¹⁰ Bankinter, "Environment Policy" (2011), at:

https://webcorporativa.bankinter.com/stf/web_corporativa/responsabilidad_corporativa/environmental_policy_12_.pdf

¹¹ Bankinter, "Principles and policies related to the sustainability of investment", (2019), at:

https://webcorporativa.bankinter.com/stf/web_corporativa/responsabilidad_corporativa/politicas/principles_related_to_the_sustainability_of_investment.pdf

¹² United Nations Framework Convention on Climate Change (UNFCCC), "Intended Nationally Determined Contribution of the EU and its Member States", (2015), at: <https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Austria%20First/LV-03-06-EU%20INDC.pdf>

by 2030.¹³ Accordingly, Spain aims to cut its GHG emissions by 23% and increase its share of renewables by 42% in energy-end use in 2030 compared to 1990 levels,¹⁴ Knowing that the electricity sector is the second largest carbon emitter in Spain after mobility in transport, accounting for 33.1% of Spain's GHG emissions in 2016 (i.e. 86.4 MtCO₂-eq),¹⁵ Bankinter's use of proceeds in renewable energy investments may help Spain in reaching its clean energy and GHG emissions reduction targets.

In 2020, Spain generated a 43.6% of its electricity from renewable sources, whereas only 2% of the country's production was from coal-fired power stations¹⁶, which is the largest share in the generation mix recorded since records began in 2007. The Spanish Integrated National Energy and Climate Plan ("PNIEC") aims at increasing the proportion of renewables in the electricity production to 74% in 2030, in accordance with 2050's target of 100% (i.e. carbon neutrality of electricity production).¹⁴ Therefore, the PNIEC expects to cut emissions from electricity production down by 44 MtCO₂-eq from 2015 to 2030.¹⁴

As such, Bankinter investments in renewable energy is viewed by Sustainalytics as impactful. Proceeds will contribute to the decarbonization of electricity production and the reduction of fossil-fuels in the gross final energy use in Spain and in the EU.

The impact of green buildings in Spain

Buildings accounts for 40% of final energy consumption and 36% of the GHG emissions in the EU.¹⁷ In Spain, the building sector accounted for 31.4% of gross final energy use in 2018.¹⁸ As such, greening the building sector is an important part of the energy transition. The EU has therefore put in place several guidelines, including the Energy Performance of Buildings Directive (EPBD)¹⁹ and the Energy Efficiency Directive (EED),²⁰ based on which substantial progress has been achieved, including an average annual reduction of 1.5% for household energy consumption per dwelling since 2000.²¹ Yet, around 35% of the EU's buildings are over 50 years old and almost 75% of the building stock is energy inefficient.²² In Spain, 58% of the building stock was built before the first regulation was implemented,²³ introducing minimum criteria in energy efficiency.

Moreover, 55% of the Spanish building stock is anterior at 1980 and 21% is more than 50 years old, underlining the need for refurbishment. In fact, at the EU level only 0.4-1.2% of the building stock is renovated each year.²⁴ Renovation of existing building is therefore key to achieve energy savings: at the EU scale, it could lower the overall energy consumption by 5-6% and reduce CO₂ emissions by approximately 5%.²² In addition, retrofitting of the EU building stocks could lead to 33% energy saving.²⁵

As such, the investment of part of the proceeds in the development of green buildings and in the renovation of residential, public and commercial buildings will help the EU and Spain to reduce the overall energy consumption and GHG emissions of the building sector and help achieve national climate targets.

¹³ EUR-Lex, « Directive (EU) 2018/2001 », at: <https://eur-lex.europa.eu/eli/dir/2018/2001/oj>

¹⁴ Integrated National Energy and Climate Plan 2021-2030 (2020), at: https://ec.europa.eu/energy/sites/default/files/documents/es_final_necp_main_en.pdf

¹⁵ Our world in data, Spain CO₂ country profile (2021), at: <https://ourworldindata.org/co2/country/spain>

¹⁶ Red Eléctrica de España, "Renewables account for 43.6% of electricity generation in 2020, their highest share since records began" (2020), at: <https://www.ree.es/en/press-office/news/press-release/2020/12/renewables-account-43-6-per-cent-electricity-generation-2020-their-highest-share-since-records-began>

¹⁷ European Union, "In focus: Energy efficiency in buildings" (2020), at: https://ec.europa.eu/info/news/focus-energy-efficiency-buildings-2020-feb-17_en

¹⁸ "Spain: Energy Profile" (2020), at: <https://www.odyssee-mure.eu/publications/efficiency-trends-policies-profiles/spain-country-profile-english.pdf>

¹⁹ European Commission, "Energy Performance of Buildings Directive (2010/31/EU)", at: <https://ec.europa.eu/energy/en/topics/energy-efficiency/energy-performance-of-buildings/energy-performance-buildings-directive>

²⁰ European Commission, "Energy Efficiency Directive (2012/27/EU)", at: <https://ec.europa.eu/energy/en/topics/energy-efficiency/targets-directive-and-rules/energy-efficiency-directive>

²¹ Odyssee-Mure, "Energy Efficiency Trends and Policies in the Household and Tertiary Sectors", (2015), at: <https://www.odyssee-mure.eu/publications/br/energy-efficiency-in-buildings.html>

²² European Commission, "Energy performance of buildings", (2019) at: <https://ec.europa.eu/energy/en/topics/energy-efficiency/energy-performance-of-buildings/overview>

²³ The building standard NBE-CT-79 on thermal conditions of buildings.

²⁴ European Commission, "Energy performance of buildings", (October 2019) at: <https://ec.europa.eu/energy/en/topics/energy-efficiency/energy-performance-of-buildings/overview>

²⁵ Berardi, U, "Building Energy Consumption in US, EU, and BRIC Countries" (2015), Procedia Engineering, at: <https://www.sciencedirect.com/science/article/pii/S1877705815020664>

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 by the United Nations General Assembly and form an agenda for achieving sustainable development by the year 2030. The bond(s) issued under the Bankinter Green Bond Framework advances the following SDG(s) and target(s):

Use of Proceeds Category	SDG	SDG target
Renewable Energy	7. Affordable and clean energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
Green Buildings	11. Sustainable Cities and Communities	11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management

Conclusion

Bankinter has developed the Bankinter Green Bond Framework under which it may issue green bonds and use the proceeds to finance loans for the acquisition and development of low-carbon buildings, renovation and refurbishment of buildings and renewable energy projects including wind and solar. Sustainalytics considers that the projects funded by the green bond proceeds are expected to generate positive environmental impact.

The Bankinter Green Bond Framework outlines a process by which proceeds will be tracked, allocated, and managed, and commitments have been made for reporting on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that the Bankinter Green Bond Framework is aligned with the overall sustainability strategy of the Bank and that the green use of proceeds categories will contribute to the advancement of the UN Sustainable Development Goals 7 and 11. Additionally, Sustainalytics is of the opinion that Bankinter has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the use of proceeds.

Based on the above, Sustainalytics is confident that Bankinter S.A is well-positioned to issue green bonds and that the Bankinter Green Bond Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2018.

Appendices

Appendix 1: Green Bond / Green Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	Bankinter S.A
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	Bankinter Green Bond Framework
Review provider's name:	Sustainalytics
Completion date of this form:	July 07, 2021
Publication date of review publication:	

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBP:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF REVIEW PROVIDER

- | | |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (*if applicable*)

Please refer to Evaluation Summary above.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section *(if applicable)*:

The eligible categories for the use of proceeds are aligned with those recognized by the Green Bond Principles. Sustainalytics considers that investments into renewable energy and green buildings will lead to positive environmental impacts and advance the UN Sustainable Development Goals 7 and 11.

Use of proceeds categories as per GBP:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Renewable energy | <input type="checkbox"/> Energy efficiency |
| <input type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input type="checkbox"/> Clean transportation |
| <input type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input checked="" type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBP | <input type="checkbox"/> Other <i>(please specify)</i> : |

If applicable please specify the environmental taxonomy, if other than GBP:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section *(if applicable)*:

Bankinter S.A.'s internal process in evaluating and selecting loans and projects is managed by a Green Bond Committee. Projects will be pre-selected by the Investment Banking Department and Commercial Department and presented to the Green Bond Committee who evaluates the projects against eligibility criteria and makes the final decision. The Committee will meet at least twice a year to review project eligibility. Sustainalytics views this process as aligned with market practice.

Evaluation and selection

- | | |
|--|--|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other <i>(please specify)</i> : |

Information on Responsibilities and Accountability

- ☒ Evaluation / Selection criteria subject to external advice or verification
 ☐ In-house assessment
- ☐ Other (please specify):

3. MANAGEMENT OF PROCEEDS

Overall comment on section (if applicable):

Bankinter S.A's processes for management of proceeds is handled by the Green Bond Committee. Loans will be tracked by the committee and a register will be managed by the Treasury Department. Unallocated proceeds will be invested in green bonds of European issuers that are in line with the Bank's investment guidelines. Sustainalytics views this process as aligned with market practice and positively highlights the temporary allocation of unallocated proceeds into green bonds.

Tracking of proceeds:

- ☒ Green Bond proceeds segregated or tracked by the issuer in an appropriate manner
- ☒ Disclosure of intended types of temporary investment instruments for unallocated proceeds
- ☐ Other (please specify):

Additional disclosure:

- | | |
|--|---|
| <input type="checkbox"/> Allocations to future investments only | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements | <input type="checkbox"/> Allocation to a portfolio of disbursements |
| <input type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other (please specify): |

4. REPORTING

Overall comment on section (if applicable):

Bankinter S.A intends to report on allocation of proceeds on its website on an annual basis until full allocation. In addition, Bankinter S.A is committed to reporting on relevant impact metrics. Sustainalytics views Bankinter S.A's allocation and impact reporting as aligned with market practice.

Use of proceeds reporting:

- ☐ Project-by-project
 ☒ On a project portfolio basis
- ☐ Linkage to individual bond(s)
 ☐ Other (please specify):

Information reported:

- ☒ Allocated amounts
 ☐ Green Bond financed share of total investment
- ☐ Other (*please specify*): details of eligible projects, percentage of financing versus refinancing and the amount of unallocated proceeds

Frequency:

- ☒ Annual
 ☐ Semi-annual
- ☐ Other (please specify):

Impact reporting:

- ☐ Project-by-project
 ☒ On a project portfolio basis
- ☐ Linkage to individual bond(s)
 ☐ Other (please specify):

Information reported (expected or ex-post):

- ☒ GHG Emissions / Savings
 ☒ Energy Savings
- ☐ Decrease in water use
 ☐ Other ESG indicators (please specify):

Frequency

- ☒ Annual
 ☐ Semi-annual
- ☐ Other (please specify):

Means of Disclosure

- ☐ Information published in financial report
 ☒ Information published in sustainability report
- ☐ Information published in ad hoc documents
 ☐ Other (please specify):
- ☐ Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

https://webcorporativa.bankinter.com/www2/corporativa/en/sostenibilidad/Green_Bond_Framework

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE**Type(s) of Review provided:**

- ☒ Consultancy (incl. 2nd opinion)
 ☐ Certification
- ☐ Verification / Audit
 ☐ Rating

☐ Other (*please specify*):

Review provider(s):

Date of publication:

ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP

- i. **Second-Party Opinion:** An institution with environmental expertise, that is independent from the issuer may issue a Second-Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second-Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
- ii. **Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- iii. **Certification:** An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- iv. **Green Bond Scoring/Rating:** An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

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