

# Non-Financial Information Statement

for the year ended 31 December 2022

**Wi  
Zink**

Un banco.  
Infinitas posibilidades



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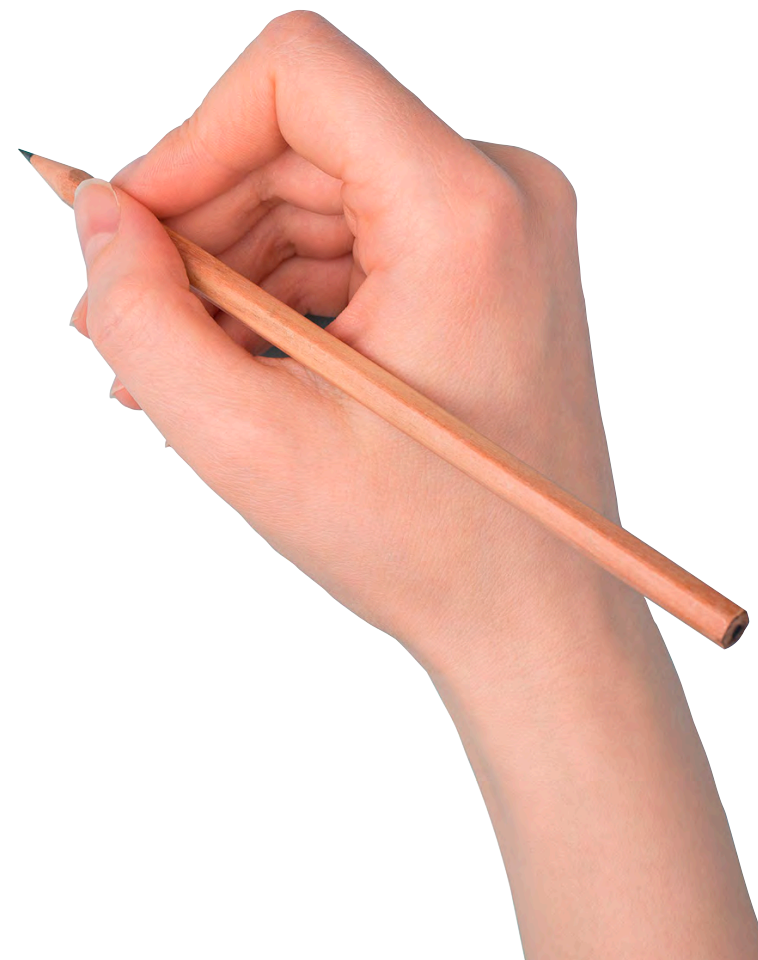
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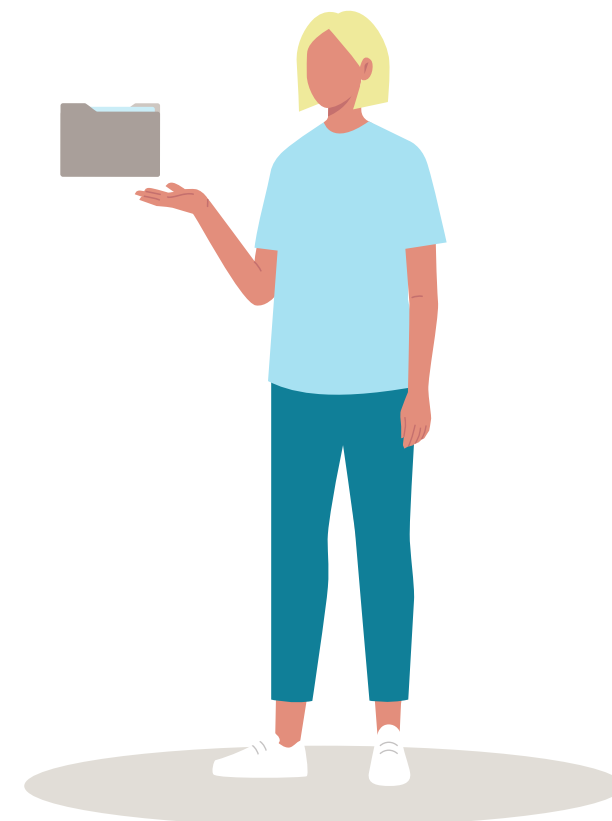
# 1. Introduction



## 1. Introduction

This non-financial information statement was issued as required by Spanish Non-Financial Information and Diversity Law 11/2018, of December 28th, amending the Spanish Commercial Code, the Consolidated Spanish Limited Liability Companies Law approved by Legislative Royal Decree 1/2010, of July 2nd, and Spanish Audit Law 22/2015, of July 20th.

This document refers to the business activities of WIZINK BANK, S.A.U. and companies comprising the Group (“WIZink” or “the Company”). This non-financial information statement has been prepared taking as reference the Global Reporting Initiative [GRI] guide for preparing reports on ESG, an internationally recognized standard, following the principles and content defined by the most up-to-date version of the guide, GRI Standards.





## 2. Materiality study and ESG strategy



## 2. Materiality study and ESG strategy

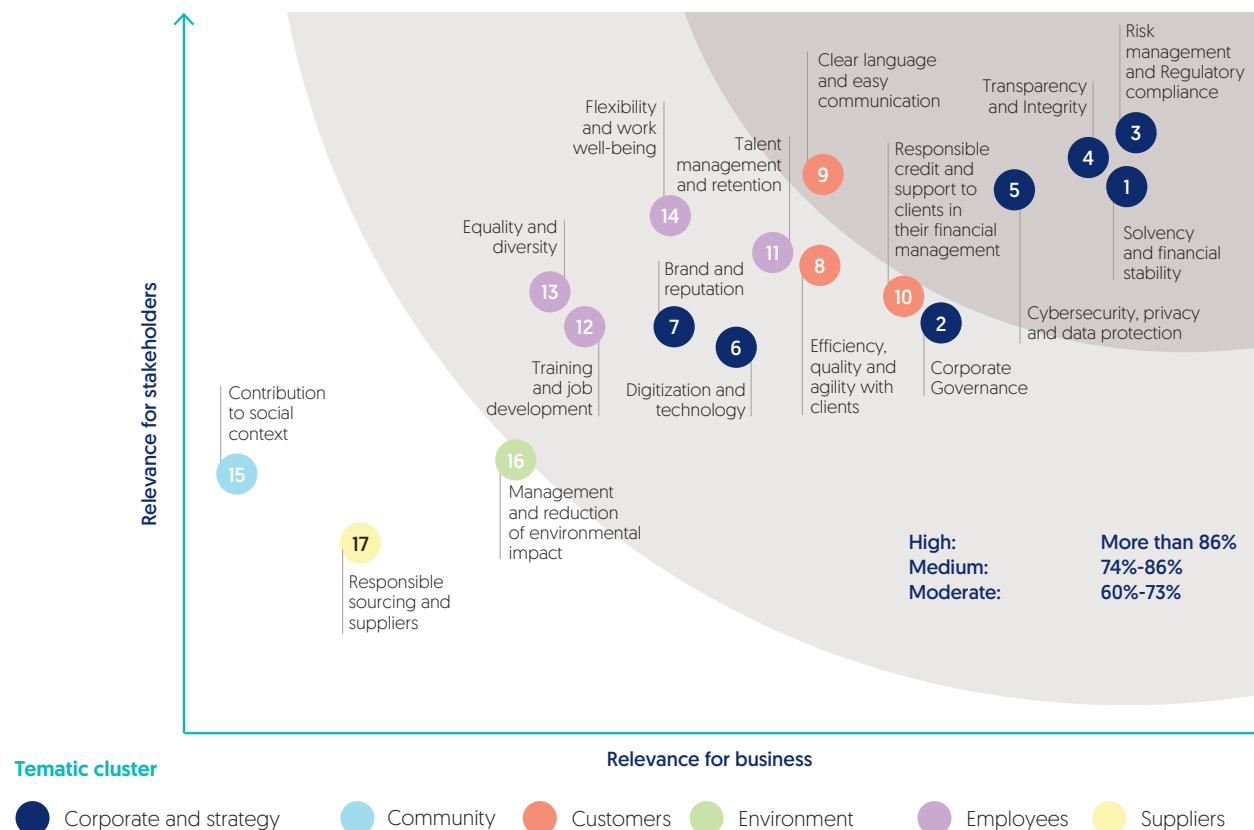
### 2.1. Materiality study results

The Company carried out a materiality study in 2021 that made possible the identification and prioritization of relevant issues in terms of sustainability both for the business and for the priority stakeholders.

The entity's strategic direction, regulation, major trends and key challenges in terms of sustainability were analysed. Similarly, the opinion of internal and external experts has been obtained.

The material matters identified were prioritized through internal and external consultations with the main stakeholders (more than 1,000 queries have been made), with the aim of evaluating their relevance both for WiZink's business and for its stakeholders. In this sense, direct online surveys were carried out on consumers, customers, employees, suppliers and Board directors.

This analysis concluded with a materiality matrix that includes the 17 most relevant topics for WiZink:



Key corporate issues such as risk management, solvency, transparency and cybersecurity, which the Company already focuses on its day-to-day activities, are amongst the most relevant topics.

Several other topics related to social aspects were identified, mainly related to customers (use of plain language, responsible credit and efficiency with customers) and employees (talent management, training, equality and flexibility).

## 2.2. ESG Strategy (Environmental, Social & Governance)

During 2022, WiZink has carried out the implementation plan of the ESG strategy defined in 2021, which was based on its initial positioning and the materiality analysis performed.

### ESG Strategy

WiZink ESG strategy was redefined in 2021 and remains valid, having made significant progress in its implementation during 2022 and planning to make further progress along the same line in 2023.

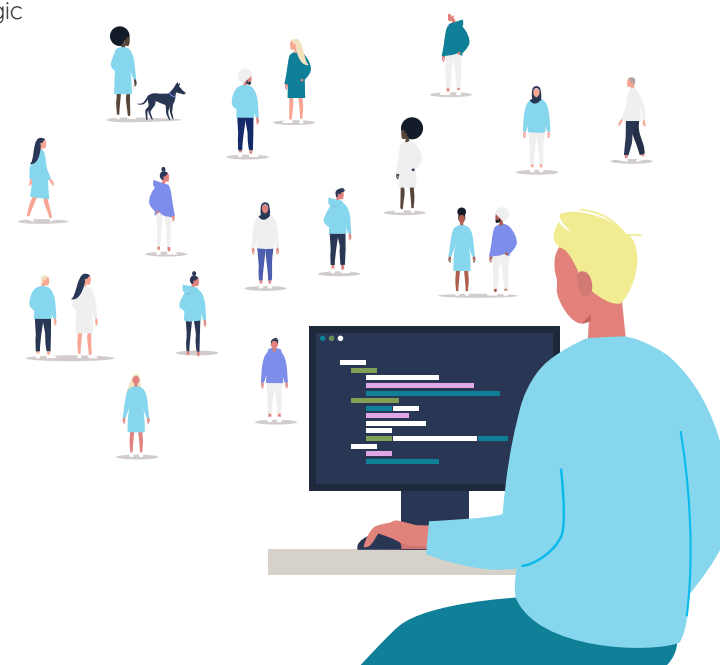
WiZink considers all ESG components to be relevant, although as a consumer finance institution that works to foster people's financial possibilities, WiZink can contribute distinctively to our society by focusing on the social aspects of ESG. These social aspects are the ones in which WiZink can contribute the most through initiatives to support customers, employees, and society. Furthermore, this does not imply setting aside the remaining ESG aspects, continuing collaborating with the environment conservation and implementing good governance practices.

Under these premises, WiZink has selected "digital skills to avoid social and financial exclusion" as the theme to guide its new ESG strategy. As a digital bank, WiZink intends to help people improve their digital capabilities, which will translate into opportunities to avoid social and financial exclusion, as there is a high positive correlation between the use of digital tools and financial literacy.

Setting this major theme as a guide, WiZink's ESG strategy is supported by 5 strategic priorities:

- Enable customers to access credit while promoting responsible lending practices, supporting clients in their financial management and using clear language and simple communication.
- Empower employees guaranteeing equal opportunities and fostering learning and professional development.
- Collaborate with society supporting the development of local communities in need.
- Reduce corporate footprint to contribute to climate-neutral international targets.
- Embed ESG in the organization with adequate governance.

According to the materiality analysis performed, these 5 strategic priorities are related to issues that are relevant to WiZink's stakeholders as well as to the business.





## WiZink strengths and progress in 2022

The implementation of the initiatives in 2022 ESG plan, along with its strengths, have enabled WiZink to significantly reinforce its positioning in each ESG area:



### Environmental

- Set WiZink corporate footprint reduction targets for 2025<sup>1</sup>:
  - 35% reduction in CO2 emissions<sup>2</sup>.
  - 20% reduction in electricity consumption
  - 30% reduction in paper consumption
- Increased financing with ESG purposes through eco loan (€12.9m credit issued in 2022) and educational loans (€1.5m credit issued in 2022).
- Use of recycled plastic in all new credit cards and renewals.



### Social

- Developed a volunteering program in Spain to help students increase their digital skills: 65 WiZink volunteers (including CEO and Executive Committee members) and 880 students benefited.
- Elaborated digital skills educational content for customers and non-customers.
- Collaborated with NGOs in Madrid and Lisbon to promote the labour integration of vulnerable people.
- WiZink's incorporation to the United Nations Global Compact.
- ESG training for the Board of Directors and all WiZink employees.
- 47,1% of women in management and senior management positions.
- Gender salary equality: 3.4% gender salary gap, not considered relevant as it is mainly explained by the fact that WiZink has only 6 corporate levels, which limits the accuracy of salary comparisons. In addition, the gap has been reduced by approximately 110bp versus 2021.



### Governance

- Analysed the impact of risks derived from climate change and environmental deterioration, concluding that they are not relevant for WiZink.
- Incorporation of the ESG plan in the corporate goals both of the management and the whole entity.
- Designation of a Board of Directors member as responsible for ESG.
- 100% of customer complaints resolved in less than one month.
- 4 independent Board of Director members out of 6.

During 2023, WiZink plans to continue advancing in the implementation of its ESG strategy, continuing with many of the initiatives already started in 2022 and carrying out new ones. In this way, WiZink hopes to continue contributing to the creation of a fair, sustainable, and responsible society.

<sup>1</sup> Reduction targets considering 2019 as a base year

<sup>2</sup> Scope 1 (gas, gasoline, diesel) and scope 2 emissions (electric power)

## Contribution to Sustainable Development Goals



4 Sustainable Development Goals to which WiZink contributes most:



As a consumer finance entity, WiZink intends to enable households to access credit, while promoting responsible lending practices.



WiZink guarantees equal opportunities among its employees, with one of the highest ratios of women in management positions in the banking industry.

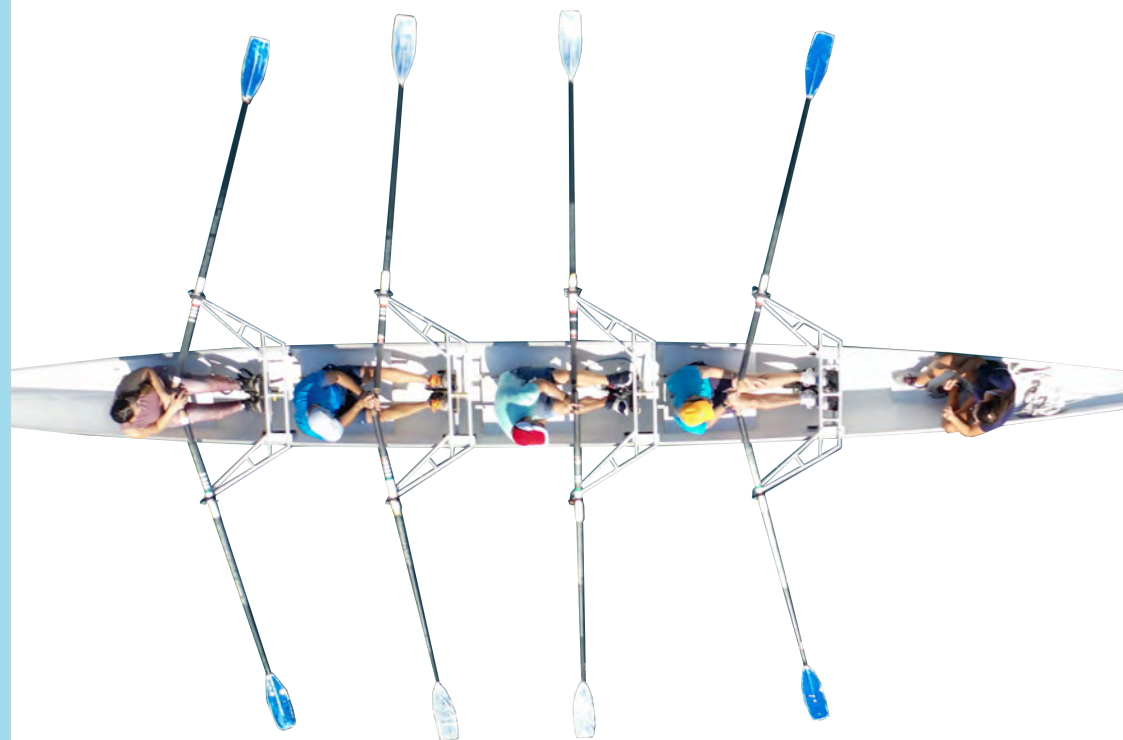


WiZink develops initiatives to help people improve their digital capabilities, which will translate into opportunities to avoid social and financial exclusion.



WiZink has set targets to reduce its corporate footprint and considers environmental factors in its processes and operations.

# 3. Business model





## 3. Modelo de Negocio

WiZink is the on-line bank expert in consumer finance in Spain and Portugal. It offers its clients a wide range of personalized, simple, transparent and digital financing solutions, as well as savings products that seek to boost people's financial potential in a sustainable, responsible and realistic way. With more than 1.9 million customers, WiZink wants to be a leader in consumer finance in the Iberian Peninsula in the digital field, with mobile phone as the main channel of interaction with its customers.

In line with its intention to explore new opportunities for business development, in 2018 WiZink acquired 100% of the Spanish instant online credit start-up Aplazame, S.L.U. and in 2021 acquired 100% of the Spanish digital financial startup for the acquisition of second-hand vehicles Lendrock Spain, S.L. In 2022, the merger by absorption of WiZink with Aplázame, S.L.U. and Lendrock Spain, S.L.U. was completed and registered on 4th March 2022 in the Mercantile Register, whereby Wizink absorbed both companies.

The WiZink Group, with head office in Madrid, is subject to the supervision of both the Bank of Spain and the Bank of Portugal. WiZink is wholly owned by Aneto S.à.r.l. [majority controlled by Värde Group].

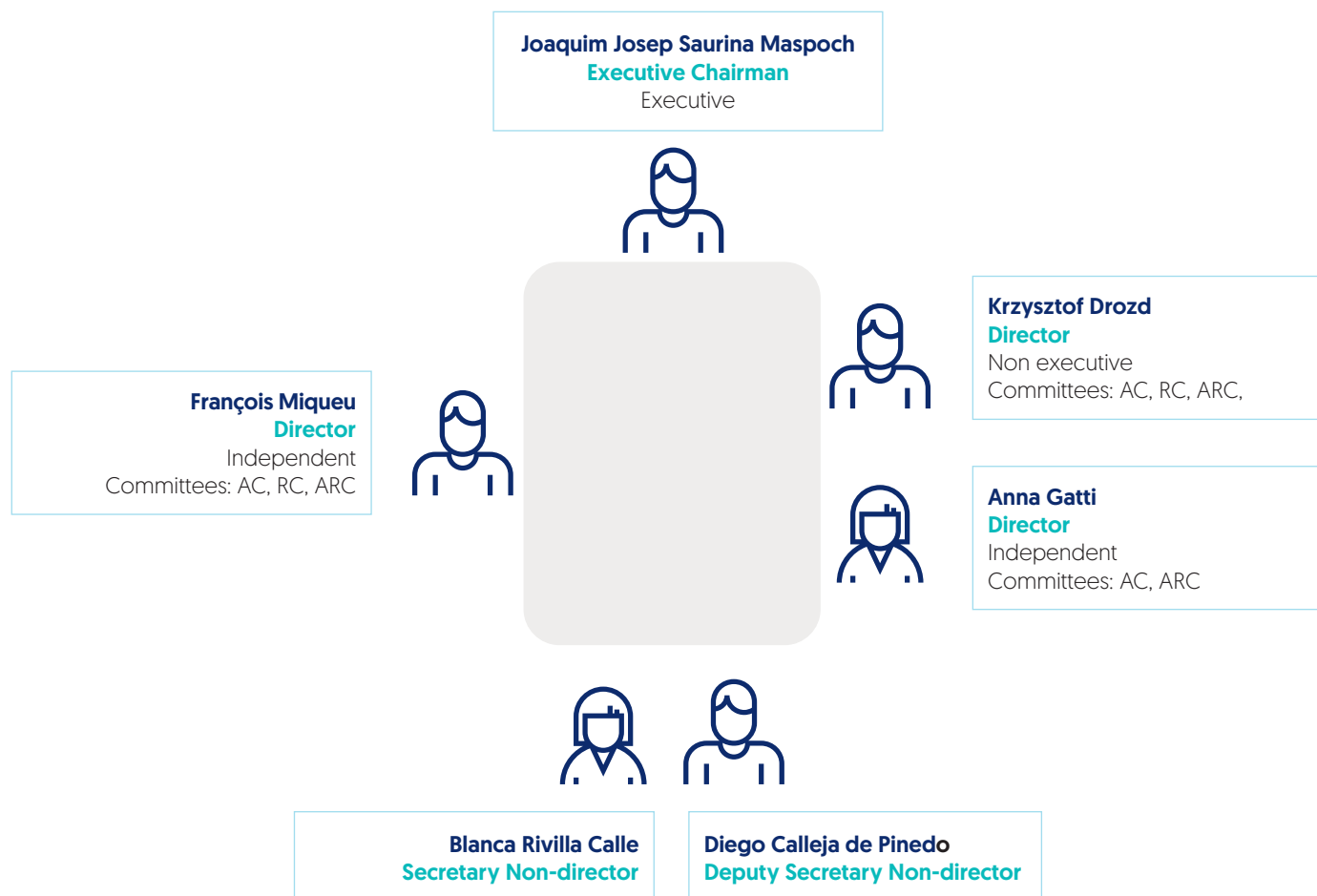
WiZink's corporate policy is based on four core values: innovation, collaboration, responsibility and execution. Those values serve as an inspiration and guide not only for the executive team, but for everyone across the organization.

### 3.1. Board of Directors

WiZink's highest governance body is the Board of Directors [the "Board"], which composition and role are based on compliance with the provisions established in Article 29 of Act 10/2014, of 26 June, on the arrangement, supervision and solvency of credit institutions [hereinafter, "LOSSEC"] and Article 37 of Royal Decree 84/2015, of 13 February, implementing Act 10/2014, of 26 June, on the arrangement, supervision and solvency of credit institutions [hereinafter, "ROSSEC"] as well as other applicable national regulations. In addition to this, it is in line with best market practices established in the EBA [European Banking Authority] Guidelines on Internal Governance, ESMA [European Securities and Markets Authority] Guidelines and the Joint ESMA and EBA Guidelines, on the assessment of the suitability management body members and key function holders.

WiZink's Board of Directors carries out all the tasks assigned to it under LOSSEC and ROSSEC. It is also the body in charge of establishing strategic objectives, as well as the Company's risk strategy and internal governance model. The Board also has three advisory committees that complement and support its activity. Both, the Board of Directors and the three committees [Audit Committee [AC], Risk Committee [RC] and Appointments and Remuneration Committee [ARC]], are chaired by independent directors.

WiZink's Board has its management powers delegated in the Chief Executive Officer. At the same time, there is an Executive Committee to assist the Chief Executive Officer in the performance of his duties within the bounds of his authority. The Executive Committee members assigned internal control duties [Risk and Compliance] report directly to the Risk Committee. In turn, the Head of Internal Audit reports to the Audit Committee.



WiZink has in place a procedure to assess the suitability of the members of the Board of Directors and key management personnel. The assessment is entrusted to the Board of Directors, with the assistance of the Appointments and Remuneration Committee and the Board Secretary.

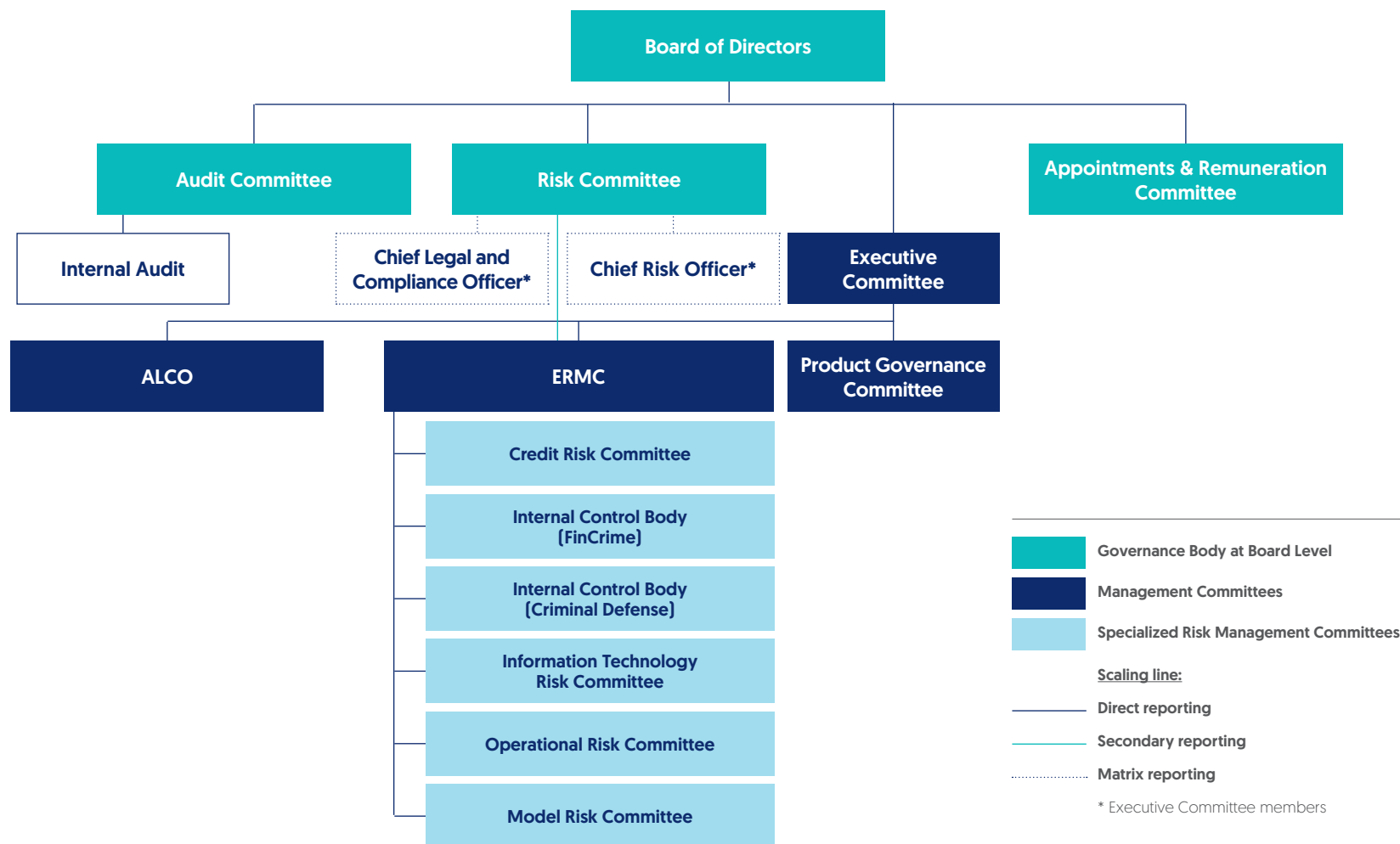
The directors and key management personnel must meet the suitability requirements, as defined in the regulatory requirements and the EBA guidelines. Furthermore, they must act consistently with WiZink's corporate values.

Moreover, they must have a strategic vision [in line with their responsibilities] and bring relevant experience in executive positions, thorough knowledge of the industry as well as planning, management and have enough time to dedicate to the position.

During 2022, Anna Gatti was appointed as head of ESG within the Board of Directors and training was provided to all members of the Board.

**Committees.** RC: Risk Committee. ARC: Appointments and Remuneration Committee. AC: Audit Committee.  
Note: Board of Directors as of 01/02/2023 after resignation of José Luis del Valle Doblado [Chairman] and Miguel Ángel Rodríguez Sola [CEO]. Two new members are in the process of being appointed to the Board of Directors.

The following diagram summarizes corporate governance structure in WiZink:



## Board committees

### Risk Committee

The Risk Committee ("RC") submits the risk management policies for approval by the Board, assisting the Board to ensure that the strategy, goals, principles, policies and resources are consistent with the risk appetite of WiZink, regulatory requirements and industry best practices. The RC, together with the Board of Directors, also oversees and reviews the formal provisions with respect to internal risk and the control environment. The RC is currently composed of 4 members of the Board who do not discharge executive functions at the bank. The RC is chaired by an independent director.

### Appointments and Remuneration Committee

The Appointments and Remuneration Committee ("ARC") is responsible for assisting and advising the Board on matters relating to the appointment of the Board members and the remuneration of the Board and senior executives, with the aim of motivating and retaining executives and ensuring that the Company attracts the best talent in the market, thereby maximising its shareholder value. Remuneration of directors and senior executives must be defined in accordance with market benchmarks. The ARC is currently composed of 3 members of the Board who do not discharge executive functions at the bank. The ARC is chaired by an independent director.

### Audit Committee

The Audit Committee ("AC") is responsible for overseeing the preparation of the Financial Statements together with the external auditors. Furthermore, the AC is responsible for overseeing the effectiveness of the Bank's internal control and risk environment, the audit and risk

management systems and processes and, when deemed appropriate, it may submit recommendations or proposals to the Board of Directors. The AC is currently composed of 3 members of the Board who do not discharge executive functions at the bank. The AC is chaired by an independent director.

## Management level committees

### Executive Committee ("ExCo")

It is responsible for assisting the CEO in the performance of his duties within the limits of his authority, among others: ensuring the control, coordination and oversight of the Company's risk and internal controls. In addition, the ExCo is responsible for reviewing and approving the policies within the committee's field and the recommendation thereof to the RC and BoD for approval. It is also responsible for guaranteeing compliance with the current regulations and legislation, as well as making recommendations on the Risk Appetite Framework [RAF].

### Asset-Liability Committee ("ALCO")

Oversees and grants final approval of management activity risks of structural balance with the objective of maximizing the entity's performance, ensuring that the profile of the level of aggregate risk created by the different business units remains aligned with the Bank's risk appetite. The ALCO is responsible for identifying, managing and controlling balance sheet risks in the performance of the business strategy, by:

- Active monitoring of the liquidity, financing, market risk and capital risk profiles by means of the metrics defined and the early warning indicators [the EWIs];

- Having sufficiently broad representation in those functions that can have a direct or indirect impact on the risk profile;
- Guaranteeing reports disclose accurate, timely and relevant information on the level and sources of risk exposure;
- Approving capital and liquidity plans in support of the dividend proposals;
- Forecasting to identify potential breaches of risk appetite or regulatory requirements;
- The execution of stress tests to ensure the resilience of the structure of balances to shocks in structural risks

### Enterprise Risk Management Committee ("ERMC")

Provides the appropriate surveillance and management of all types of risk within the Company in order to guarantee compliance with the RAF [Risk Appetite Framework]. The ERMC controls risk appetite-associated breaches and submits recommendations to the ExCo and the RC on risk management matters

### Product Committee

Approves any new product launch or change in products and/or services commercialized by the Bank and its subsidiaries and branches. Guarantees that the Customer Value Proposition meets customers' needs, takes into consideration the competitive and regulatory environment, minimizes and mitigates the legal and conduct risks arising from the design and marketing of the products and ensures an adequate transparency.

## Committees specialized in Risk Management (dependent on the ERM)

### Credit Risk Committee (“CRC”)

Monitors all key aspects of credit risk management to understand credit risk appetite, profile, performance and credit policy adequacy. The objective of the Committee is to provide the appropriate oversight and governance of WiZink’s credit risk, ensuring adherence to risk appetite and credit risk policy. The CRC will provide recommendations to the ERM every time a relevant credit risk needs to be escalated.

### Internal Control Body (“OCI”) - FinCrime

Committee appointed according to article 26 of Spanish Law 10/2010, of 28 April on the prevention of money laundering and combating the financing of terrorism and article 35 of the Royal Decree 304/2014, dated on May 5, to oversee and manage the financial crime risk and anti-money laundering policy and procedures to be aware, prevent and impede operations linked to money laundering/ financing of terrorism. .

### Internal Control Body (“OCI”) - Criminal Defence

The purpose of this committee is to ensure compliance with the criminal defense regulations, namely, i) Organic Law 5/2010, of 22 June, amending the Organic Law 10/1995, of 23 November, Spanish Criminal Code, ii) Organic Law 1/2015, of 30 March, amending the Organic Law 10/1995, of 23 November, Spanish Criminal Code

iii) Circular 1/2016, of 22 January, on the criminal liability of legal entities pursuant to the reform of the Spanish Criminal Code introduced by Organic Law 1/2015, iv) Requirements of the crime prevention management system at AENOR [Spanish standards body] organizations, v) Organic Law 1/2019, of 20 February, amending the Organic Law 10/1995, of 23 November, Spanish Criminal Code.

### IT Risk Management Committee (“ITRMC”)

Monitors all aspects of ICT & Security Risks to understand IT Risk Appetite, profile, performance and control framework adequacy. The purpose of the Committee is to provide the appropriate oversight and governance of WiZink’s ICT & Security Risk, ensuring alignment with the ICT & Security Risk Management Policy and related standards. The Committee will provide recommendations to the ERM every time a relevant ICT or Security risk needs to be escalated.

### Operational Risk Management Committee (“ORMC”)

Monitors all aspects of Operational Risk to understand Operational Risk Appetite, profile, performance and control framework adequacy. The purpose of the Committee is to provide the appropriate oversight and governance of WiZink’s Operational Risk, ensuring alignment with the Operational Risk Management Policy and related standards and procedures. The Committee will provide recommendations to the ERM every time a relevant operational risk needs to be escalated.

### Model Risk Committee

Serves as the primary body for all material matters related to model risk management. The objective of the Committee is to provide the appropriate oversight and governance of WiZink’s Model Risk, ensuring adherence to Risk Appetite and Model Risk Policy and related Standards. It will lead an interaction between all key members to discuss/debate main model’s statistical indicators & tiering evolution, identification of model weaknesses, the definition and follow up of corrective actions. The Committee will provide recommendations to the ERM every time a relevant model risk needs to be escalated.

### 3.2. Corporate structure

Company	Shareholding		Activity	Business Line
	Shareholder/Partner	%		
<b>WiZink Bank, S.A.U.</b>	Aneto, S.à.r.l.	100,00%	Loans and credits, including consumer loans and financing of commercial transactions.	Banking services
<b>Iberalbión, S.L.</b>	WiZink Bank, S.A.U.	100,00%	Entity specialized in providing call centre services and other supporting services to the WiZink group.	Commercial services
<b>WiZink Gestión, S.L.</b>	WiZink Bank, S.A.U.	100,00%	Entity specialized in collections.	Debt and asset recovery services.
<b>Aplázame LoanBook 1, S.L.<sup>3</sup></b>	Wizink Bank, S.A.U.	100,00%	Non-mortgage loans and credits provision with deferred payment formula, open-end credit line or any other equivalent financing form.	Financial technology
<b>Aplázame Sociedad Anónima Promotora de Inversión de Capital Variable<sup>4</sup></b>	WiZink Bank, S.A.U.	99%	All sorts of loans and credits provision.	Credit intermediation services
	Aplázame LoanBook 1, S.L.	1%		
<b>WiZink Bank, S.A. - Sucursal em Portugal</b>	WiZink Bank, S.A.U.	100,00%	Loans to retailers through the marketing of credit cards.	Banking services

<sup>3</sup> As a result of the Merger by absorption of WiZink Bank S.A.U. with Aplazame, S.L.U. registered on 4th March 2022, at the date of issue of this document, WiZink Bank S.A.U. directly owns 100%.

<sup>4</sup> In the process of liquidation and dissolution

### 3.3. Objectives and strategy

WiZink, leader in credit card financing in Iberia, is expanding its range of financing products to become a diversified digital consumer lender. This evolution is articulated through 3 pillars:

- Continue evolving the credit card management model through the development of a segmented offering that includes additional cards, new agreements with third parties (e.g., in 2022 WiZink has closed an agreement with RACC in Spain); the digitalization of all our sales, management and service processes and the reinforcement of our risk management capabilities.
- Accelerate the growth and value generation of our Point-of-Sale financing business (Aplazame), converting it in a reference for retailers and customers.
- Continue to grow with the rest of digital financing solutions, scaling personal loans and auto loans businesses.

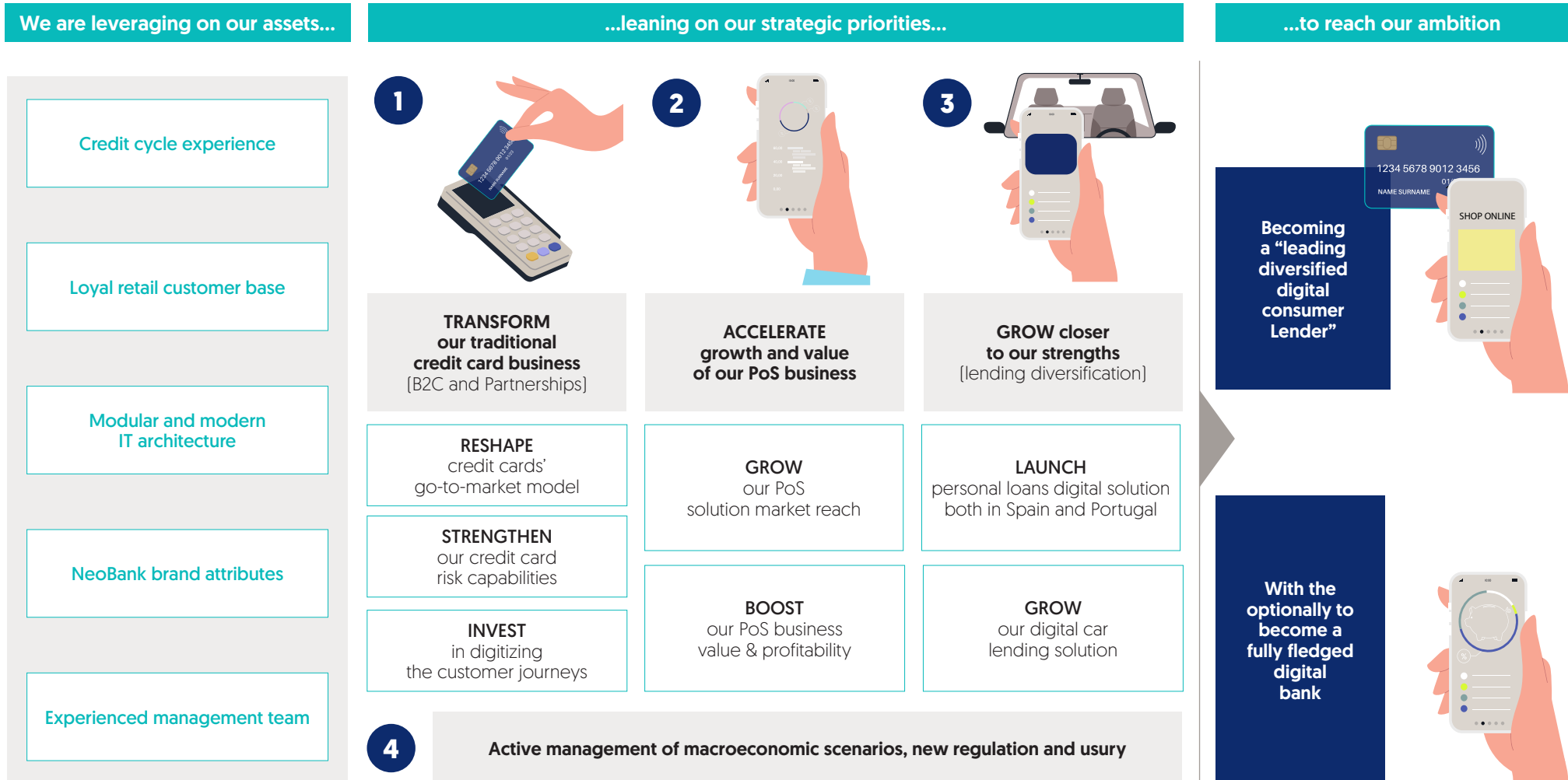
The successful implementation of our strategic priorities also requires active management in parallel of the main structural challenges facing the consumer finance sector: management of the macroeconomic environment, rapid adaptation to new regulatory recommendations and management of the risk of deferred payment litigations.

The strategy will allow WiZink to be more present in people's day to day lives and help them to better manage their finances, the strategy will be developed based on the company's strengths:

- Experience in managing the complete credit lifecycle.
- Stable base of more than 1.9 million customers with an average tenure of more than 5 years.
- Modular and modern technological architecture.
- Digital bank brand attributes.
- Proven Board of Directors experience in managing entities in all phases of the economic cycle.







### 3.4. Business environment, trends and regulation

#### Consumer Finance/ revolving credit market

The consumer finance market in Spain presented a credit balance of €91,4Bn at the end of June 2022, 2% lower than in June 2021, breaking the recovery trend observed during 2021 as the impacts of the health crisis were fading. The balances reduction during the last year is explained by a macroeconomic environment of high inflation, which has translated, on the demand side, into a slowdown in Spanish household consumption. On the supply side, financial institutions have also reviewed their risk policies to face a potential deterioration in customers' affordability.

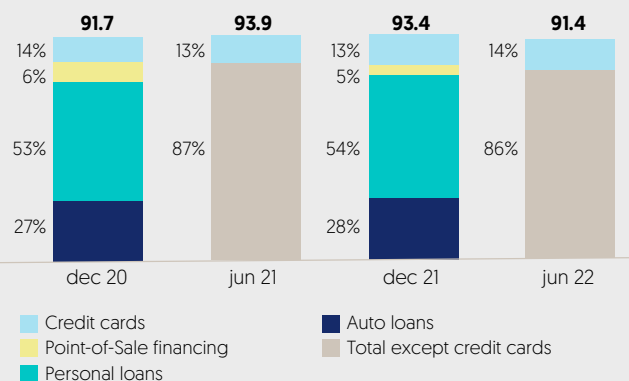
At segment level, the consumer finance market in Spain is divided as follows:

Credit card balances have increased by 8% in the last year (€13.0BN in June 2022 compared to €12.0BN in June 2021), while the other segments combined have decreased by 3% (€78.4BN in June 2022 compared to €81.0BN in June 2021). This increase in the relative weight of the credit card business compared to other consumer finance products represents a change in the trend observed in recent years and can be interpreted as a sign of a deterioration in households' situation, since credit card financing is sometimes used to face liquidity issues.

Through its diversification strategy, WiZink already competes in all market segments [credit cards, personal loans, auto loans and Point-of-Sale financing]. However, the credit card business still accounts for the majority of WiZink's credit balance, so the current situation may also represent an opportunity to relaunch this business.

Despite the reduction in balances, new consumer finance origination grew by 3% in Q2 2022 compared to Q2 2021, though largely driven by the growth in credit card financing origination, which grew by 14% in that period. This fact reinforces the considerations previously mentioned regarding the growth of credit card business, though the evolution in the next few months should be observed to confirm these conclusions.

**Consumer finance market in Spain by segment**  
€BN credit balance



Note: in June, it is not available the same level of granularity in the segmentation as at the end of the year.

In Portugal, with data available up to 2021, the consumer finance market presented a credit balance of €28,2BN at the end of 2021, which represented a 2% growth compared to the end of 2020 [€27,6BN], reflecting the consumption recovery during 2021 as the impacts of the pandemic faded.

In addition to the consumer finance market, in other markets related to WiZink group's businesses, we observe different trends in Spain:

- Credit card payments: credit card payments and cash withdrawals already recovered pre-Covid-19 levels in 2021 [€85Bn in 2021 compared to €71Bn in 2019] and its growth has accelerated in the first half of 2022, having increased by 39% compared to previous year [€51Bn in the first half of 2022 compared to €37Bn in the first half of 2021]. This fact suggests that the shift from cash to card payments fostered by the pandemic will continue in the future.
- Auto market: card sales decreased by 8% in Q2 2022 compared to the same quarter in 2021, showing that the market is still affected by the global shortage of raw materials such as chips and steel, which has been aggravated by the conflict in Ukraine.

- e-Commerce: e-commerce card purchases grew by 25% in the first half of 2022 compared to the same period in 2021 [€33,5Bn in the first half of 2022 compared to €26,8Bn in the first half of 2021], continuing the upward trend observed throughout the pandemic [10% growth in 2020 and 22% in 2021]. The relative weight of e-commerce card purchases versus physical commerce stood at 25% in the first half of 2022, one point above the 24% observed in 2021 and 2020 and three points above pre-pandemic levels [22% in 2019], showing a growing trend that could continue in the future.

In essence, WiZink competes in a market affected by the current macroeconomic environment, but also observing opportunities and positive trends for the future. In this uncertain context, WiZink is constantly monitoring macroeconomic forecasts made by the main international organisations, as well as indicators that may anticipate a deterioration in its customer portfolio.

Against this backdrop, the diversification strategy of WiZink, which competes across the whole consumer finance spectrum in Iberia, allows to minimise risks and even provides growth opportunities in specific market niches.

## Market Regulation

### NATIONAL REGULATIONS

In 2022, the profusion of regulations continued to be very intense, with important regulations for the banking sector in the pipeline which, after the mandatory parliamentary procedures, are to be implemented in 2023 and 2024 with a markedly consumer protectionist character.

The regulatory milestones for the year 2022 of particular importance for the Spanish banking sector, dedicated to the private consumer, were as follows:

- **Law 4/2022 of 25 February on the protection of consumers and users in situations of vulnerability**, which continues to develop the concept of vulnerable consumers. The financial sector and, therefore, consumer banking, has been considered as complex, being identified the group of older people and with greater difficulties to navigate in digital services as a particularly vulnerable group and worthy of protection.

This regulation stresses that banks must facilitate access and understanding procedures and accompany and assist the most vulnerable people and those with more difficulties in digital skills.

Any commercial offer must be clear, understandable and in an easily accessible format, as well as all pre-contractual information in such a way that the banking customer, and not only the vulnerable, can make an informed decision about the banking product to be contracted, thus addressing issues such as font size or line spacing.

At Wizink Bank, we have adapted the font size of our contracts and the space between lines and we have

implemented improvements in our customer service to make it easier for our customers over 65 years of age or with a disability to contact the bank, so that they can be attended to in a personalized way by a specialized agent.

In the same line of protection of vulnerable groups, there is Law 6/2022, of March 31, amending the General Law on the Rights of Persons with Disabilities and their Social Inclusion, which aims to regulate the basic conditions of accessibility and non-discrimination, including the concept of cognitive accessibility to allow easy understanding, communication and interaction for all people.

- **Law 26/22 on the reform of the Insolvency Law**, which represents an important modification in the Spanish insolvency system, providing new opportunities for debt restructuring with a greater role for creditors, who will be able to benefit from more agile and flexible pre-insolvency instruments.
- **Law 18/2022, of September 28, on the creation and growth of companies** which amends, among others, Law 10/2014, on the regulation, supervision and solvency of credit institutions. This Law seeks to boost transparency with respect to the payment periods of commercial operations with the creation by the Government of a State Observatory of Private Delinquency, in charge of monitoring the evolution of payment data and the promotion of good practices in this area. This law also promotes electronic invoicing as a method of control.

**The Bank of Spain**, in the same line of transparency and consumer protection, has continued to issue Circulars such as Circular 2/2022, of March 15, on rules for sending payment statistics to the Bank of Spain by payment service providers and payment system operators, and



Circular 3/2022 on transparency of banking services and responsibility in the granting of loans.

With a view to 2023 we can mention the Draft Circular that amends the current Circular 1/2013 [CIR], of May 24, in such a way that, as from January 2, 2023, reporting entities must report to the CIR, on an individual basis, all transactions of holders whose accumulated risk in the entity is equal or higher than 3,000 euros, establishing the obligation to report the risks, transaction by transaction, in euro units, and without setting, in general, a minimum reporting threshold.

In the year 2022 there has been prolific **legislation being processed which will be implemented in 2023 and 2024** and which will have an impact on consumer banking such as, for example, the **Bill for the Creation of the Independent Administrative Authority for the Defense of the Financial Customer**, which may entail a modification of the structures of the complaint areas of the Entities. The out-of-court dispute resolution system is modified, centralizing it in a single newly created administrative body. In connection with the above, we also mention **the Bill regulating the customer care services**, the main purpose of which is to alleviate the deficiencies detected in the provision of this type of services by large companies and thus improve the protection of consumers in order to guarantee their rights; the Proposed Law for the Amendment of the General Law for the Defense of Consumers and Users, the **Proposed Law relating to the promotion of Mediation in civil and mercantile matters and the Proposed Law relating to the amendment of Law 34/2002 of July 11, 2002 on Information Services and Electronic Commerce**.

In the case of **Portugal**, the following regulations stand out:

- CNPD Guideline/2022/2- Electronic Direct Marketing Communications**  
 CNPD clarifies that the data protection controller could send electronic direct marketing communications based on legitimate interests under specific and expressed requirements.  
  
 CNPD highlights that, independently of the lawful that justifies the personal data treatment under this context, the Customer should always have the possibility of refusing the utilization of his own data for marketing purposes [i.e., objection right], from an easily and freeway at the time of the data collection as well as in each electronic communication sent.  
  
 This guideline also alerts for the fact that it is not considered a customer's consent when it is not obtained under a freeway, specific, informed and unequivocal, for example in cases where the data obtained is collected through a previous selected form already fulfilled and confirming that [previous] consent.
- Bank of Portugal Circular Letter n.º CC/2022/00000026**  
 The objective is the continuous monitoring of the interface's functions distributed by the Payment service Providers [Account Servicing Payment Service Providers or ASPSP] for the communication with third parties' payment service providers. By this circular letter the BoP establishes that the – ASPSPs which had adopted one API – may correct, if that is the case, the situations above mentioned until the 31st of March 2023 [due date].

- **The Bank Portuguese Association shared the Decree-Law Project for the transposition, into the Portuguese jurisdiction, of the Directive (EU) n.º 2019/882**, which regulates the accessibility requirements for products and services. The purpose of Directive (EU) 2019/882 is to make more accessible products and services for the benefit of companies, **people with disabilities** and **people with functional limitations**, such as the **elderly, pregnant women** contributing to the proper functioning of the internal market by approximating laws, regulations and administrative provisions of the Member States. The Decree-Law Project aims the transposition of the said directive which includes among other banking products.

#### WORK OF THE EUROPEAN COMMISSION, EBA GUIDELINES AND COMMUNITY DIRECTIVES

Entre las iniciativas a nivel comunitario, las más relevantes para el sector financiero son las siguientes:

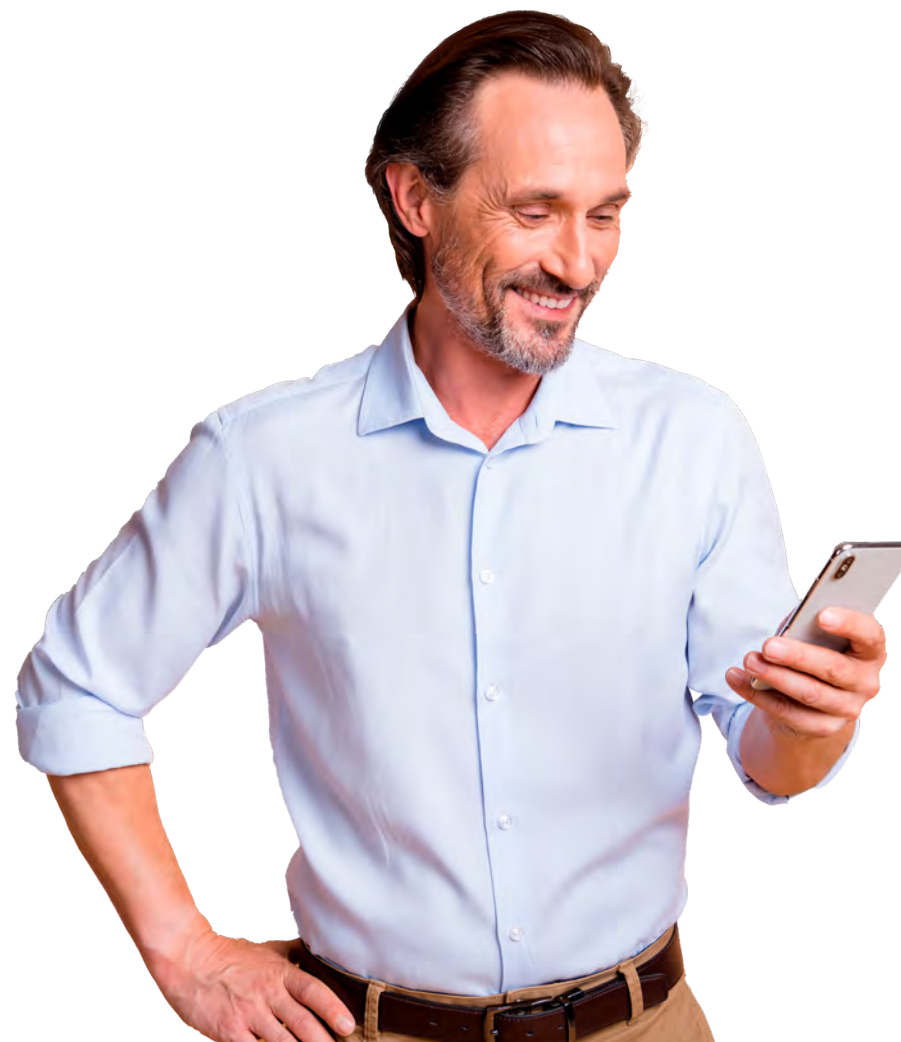
- **The European Declaration on Digital Rights and Principles for the Digital Decade** which incorporates, among others, references to digital sovereignty in an open manner, respect for fundamental rights, rule of law and democracy, inclusion, accessibility, equality, sustainability, resilience, security, improved quality of life, availability of services and respect for the rights and aspirations of all by putting the individual at the center of the digital transformation.
- **Directive (EU) 2022/2464 on ESG** reporting by companies responds to the significant increase in demand for this information in recent years, especially from the investment community. There is also a growing awareness of the risks and opportunities for ventures and investments resulting from other environmental issues, such as biodiversity loss, and social and health issues, including child labor and forced labor.
- **The EU Directive 2021/2167 of 24 November 2021 on Credit Managers and Credit Purchasers.** The aim of this Directive is to establish a harmonised regime applicable to "credit managers", as well as to regulate their activity and supervision. It also establishes a set of rights and obligations for "credit purchasers".
- **Proposal for a Regulation of the European Parliament on the European standardization of Instant Credit Transfers.** In connection with the SEPA system, the European Parliament intends to change this regime by also regulating Instant Credit Transfers. This initiative now includes instant payments as part of the concept of credit transfers and to standardize [at European level] the concepts and procedures for this type of transactions.
- **Final guidelines on remote onboarding of customers**, which set out the steps to be taken by financial and credit institutions to comply with their anti-money laundering obligations in relation to remote onboarding of customers.
- **Guidelines published by the European Banking Authority specifying the functions and obligations of the anti-money laundering** and combating the financing of terrorism (AML/CFT) compliance officer and specifying that Credit or Financial Institutions must designate a member of their management body, who will be ultimately responsible for compliance with AML/CFT obligations.
- **Proposed new Consumer Credit Directive.** It will apply to revolving credit cards with a limit of more than €200. The proposal contains the obligation of all lenders to obtain authorization, license or registration for the exercise of this activity, and continues to emphasize the clarity and transparency of the informative and contractual documentation.



1	2	3	4	5	6	7	8	9	10	11
Introduction	Materiality study and ESG strategy	Business model	<b>Risk Management</b>	Fighting corruption and bribery	Social and employee-related issues	Commitment to society	Respect for human rights	Environmental matters	EU Taxonomy	Appendix
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____



## 4. Risk Management



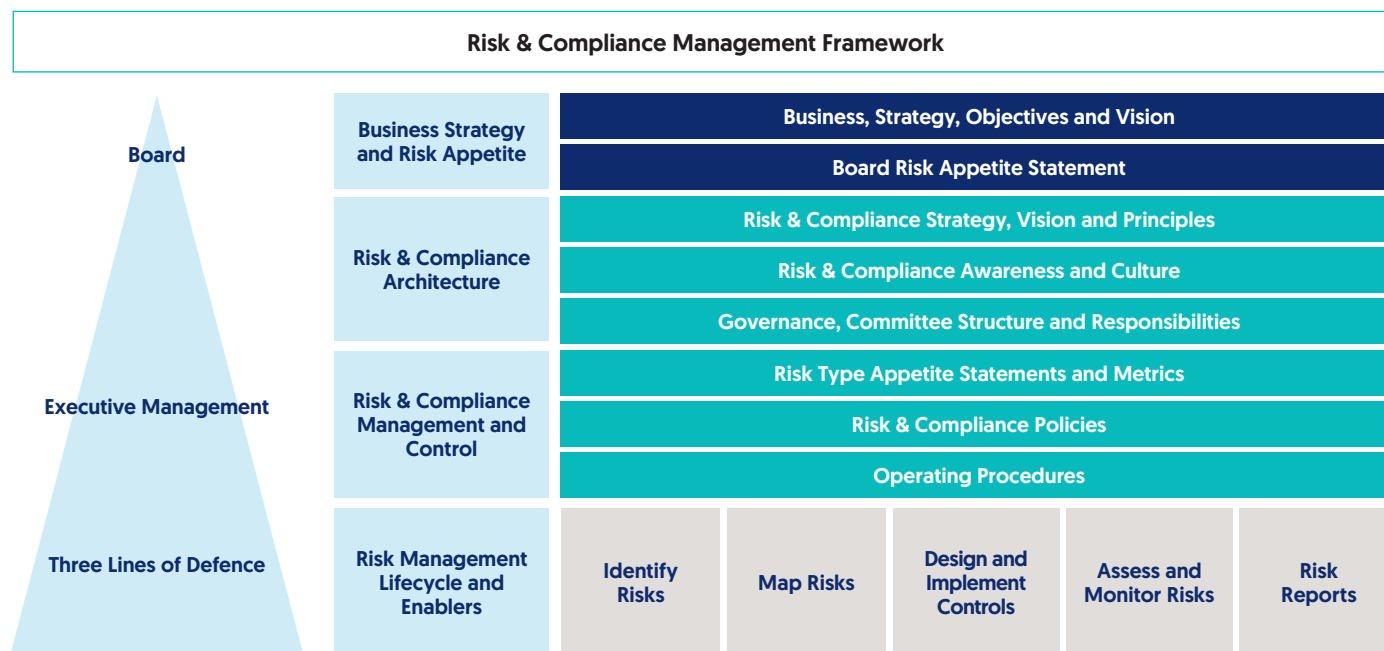


## 4. Risk Management

WiZink, as a digital bank expert in consumer finance in Spain and Portugal, accepts a certain level of risk as an inherent part of its business model to provide service to its targeted sectors, mainly the credit card market, personal loans, point-of-sale financing, auto loans, saving accounts and deposits.

Managing and controlling these risks efficiently is one of the main priorities for Wizink and all its stakeholders.

### 4.1. Key elements in Risk Management and Control



The Board of Directors, Executive Committee and executive team establish and actively promote the risk culture and values, which cascade through the entire Group, and continuously oversee the integration of the risk culture throughout the organisation. Also, WiZink fosters this culture at all levels of the company with the goal of ensuring that all employees understand the fundamental values of the culture of risk and compliance.

The Board has also implemented corporate risk policies that define the minimum requirements to ensure compliance with approved risk appetite. It is the responsibility of the management to ensure that the staff is informed of the strategy and policies that apply and that they comply with them, providing the required training and informative sessions.



WiZink's risk management strategy is based on ensuring that all relevant risks are identified, measured, monitored and controlled, with the appropriate human resources, tools and information systems to ensure a sensible and consistent risk profile is kept within the established risk appetite and a tight control over all identified risks.




Once WiZink has identified its risks and has evaluated them based on their materiality and the effectiveness of the control environment, tools have been designed and implemented to enable their mitigation:




- Risk Appetite Framework (RAF) and Risk Appetite Statement (RAS): comprehensive tool approved by the Board of Directors to determine the types and thresholds of risk that they are willing to accept in order to achieve the strategic objectives of the Group with relation to the identified risks. The RAS is the link between the global strategy of the Group and the risk management framework. Metrics have been defined for each type of risk in order to follow up on the appetite, with quantitative limits and an escalation process in case these are breached.
- Risk and Control Assessment (RCA): risk self-assessment exercise that enables the identification of the significant risks of the Group, evaluating the associated controls effectiveness to determine their mitigation level in order to establish risk mitigation strategies and/or accept risk if required.
- Manager's Control Assessment (MCA) Programme: diagnostic tool that helps all Group areas to self-assess the effectiveness of their control environment on a continuous basis.






Summary of the risk management model for WiZink´s main risks as follows:

Risk type	Risk Management
<b>Credit risk</b>	
<div>  <p>The risk of the Company suffering losses as a result of the inability of the counterparty to meet its obligations.</p> </div>	<p>WiZink’s credit risk management is based on extensive use of historical information, from both internal and external sources, which allows the development of scoring models and other segmentations applied throughout the credit cycle. These models enable the company to predict the payment behaviour of our clients and establish their level of solvency. WiZink defines in such way its risk policy for the acquisition and for the existing portfolio management programs, avoiding increasing exposure in high-risk profiles.</p> <p>Additionally, risk management and recovery policies have been developed, aligned with the credit risk appetite defined by the Board of Directors.</p> <p>To take decisions and mitigate credit risk, various metrics and early warning indicators are regularly monitored to examine the risk profile and behaviour of customers (from the beginning to termination of the relationship with them).</p>
<b>Operational risk</b>	
<div>  <p>Risk of suffering losses due to failures or inadequacies of processes, people, internal systems, technology, or due to external events.</p> </div>	<p>Operational risk management at WiZink focuses on maintaining robust operational controls in all its processes, minimizing the possibility of incidents that cause operational losses or negative impacts to the Group. Focus is on reduction of losses due to external fraud, as well as those derived from lawsuits and claims related to alleged usury and lack of transparency (reclassified as operational in 2021), and control of outsourced service providers.</p>

Risk type	Risk Management
<b>Model risk</b>	
 <p>The risk associated with the development, use and misuse of models involved in the decision-making process in the Group.</p>	<p>Model risk management relies to a considerable extent on the follow up of credit risk scoring models (application and behaviour scores) and IFRS 9. WiZink has a low tolerance for any delay or failure on high-risk models</p>
<b>Product concentration risk</b>	
 <p>The risk that the Group will suffer losses as a result of the risk of concentration on a particular product.</p>	<p>The current business model is mainly based on granting credit through a single product: credit cards. Thus, the bank assumes significant product concentration risk. However, this level of risk can be mitigated by a high level of specialisation in the management of the product and extensive knowledge of the market in which WiZink operates.</p> <p>Likewise, the Company is immersed in a diversification process with the launch of Personal Loans, growth of the point-of-sale consumer financing business and the acquisition of Lendrock.</p>
<b>Interest rate risk</b>	
 <p>The exposure to changes in market interest rates due to different repricing schedules of interest-bearing financial assets and financial liabilities.</p>	<p>The interest rate risk management strategy serves to minimise the impact of adverse changes in interest rates on the profit and loss account and on computable own funds. The main purpose of such management is to optimise the net interest margin and to obtain results that are stable and sustainable over time.</p>



Risk type	Risk Management
<b>Business risk</b>	
<div>  <p>This risk stems from the elements of the business plan that could threaten the viability and sustainability of the company's business model.</p> </div>	<p>WiZink aims to determine plausible business objectives during the development of its Business Plan and to achieve those objectives through its normal activity.</p>
<b>Solvency risk</b>	
<div>  <p>Risk related to Wizink's ability to meet long-term obligations, maintaining sufficient regulatory capital levels, which allow it to assume the risks derived from its financial activity and absorb losses under normal and adverse economic conditions.</p> </div>	<p>The bank's aim is to maintain an adequate level of solvency that allows for the development of the business in both normal and adverse economic environments. In order to achieve this, WiZink will maintain adequate capital to ensure that it is above the minimum regulatory requirements. [Pillar 1 and Pillar 2].</p>
<b>Profitability risk</b>	
<div>  <p>This is the risk related to the company's ability to obtain benefits from limited resources.</p> </div>	<p>The goal is to achieve sustainable strong results, maintaining high profitability and efficiency in the long-term.</p>


Risk type		Risk Management	
Liquidity risk			
<div></div> <p>Risk that the company cannot meet its financial obligations when due and cannot liquidate its assets to meet those commitments on time and / or without incurring excessive cost.</p>		<p>WiZink's objective is to maintain a stable and diversified liquidity and financial structure that allows it to meet its liquidity obligations under both normal and adverse market conditions.</p>	
Information and communication technology (ICT) risk			
<div></div> <p>This is the current or potential risk of losses due to the inadequacy or failure of the hardware or software of technical infrastructure, which can compromise the availability, integrity, accessibility and security of such infrastructure and of data.</p>		<p>WiZink's key objectives in relation to Information Technology (ICT) and Security risk management are ensuring that investment in technology is aligned with the business strategy and regulatory requirements; avoiding technology failures that may have a material impact on the ability to serve customers, the ability to perform critical business functions, or that may have an adverse financial impact on the entity; eliminating security weaknesses in technologies and data processing; managing failures in technological projects that impact resilience, cost, time and/or service quality; and ensuring that the operation of outsourced technology is at a level of risk management and control similar to the one internally established in the company itself.</p>	

Risk type		Risk Management	
Conduct risk			
	<p>This is the risk of suffering material losses generated by inadequate financial services, including both wilful misconduct and bad practice during sales and other processes.</p>	<p>WiZink assumes that its banking model and activity are vulnerable to this type of risk and actively works to minimise it. As part of the management strategy, WiZink has implemented initiatives to strengthen the compliance culture, always taking into consideration the improvement of the service to our customers, and minimise losses resulting from non-compliance. Unfair customer outcomes are not tolerated, and thus customers are offered simple, transparent products/services through adequate channels.</p>	
		<p>The goal is to achieve secure business processes based on management of risks related to strategic objectives, effectiveness and efficiency of established processes and controls and compliance with regulations and internal policies. To that end, the bank encourages all members of the organisation to get involved with risk management in order to minimise the existence of conduct risks.</p>	
Reputational risk			
	<p>This is the risk that the company will suffer losses as a result of damage to its reputation. WiZink considers reputation to be a valuable asset and therefore it does not tolerate business activities that might jeopardise its reputation.</p>	<p>WiZink considers reputation as a valuable asset that must be looked after and therefore has no appetite to conduct business in a way that puts reputation at risk.</p>	
		<p>WiZink aims to obtain, protect and maintain the trust, loyalty and the best consideration of all its stakeholders. WiZink carries out adequate management of reputational risk, a determining factor for WiZink's long-term plans and objectives. Reputation is considered not just a past performance, but also an opportunity for the future.</p>	



Risk type	Risk Management
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<b>Legal and regulatory risk</b>	
<div>  <p>This is the risk of being fined or sanctioned as a result of violations of legislative or regulatory requirements. It includes the risk of incorrect or missing contractual documents, which might adversely affect the business activities. Legal and regulatory risk also includes the risk that the Group does not have the legal capacity to operate.</p> </div>	<p>WiZink does not tolerate deliberate violations of legislative or regulatory requirements. The bank is committed to compliance with relevant legislation, regulations, industry codes and standards as well as internal policies and sound corporate governance principles. Any breaches identified will be remedied as soon as possible.</p>
<b>Data Protection</b>	
<div>  <p>This is the risk of the company not protecting individuals’ data privacy rights when personal data processing could be carried out not complying with applicable regulations on data privacy.</p> </div>	<p>Wizink is committed to protect its customers, employees and other stakeholders’ personal data and also to be compliant with Data Protection regulation. The company has policies, procedures and appropriate technical and organizational measures in place to ensure that all the risks have been mitigated conveniently. This extends also when subcontracting processing operations with third parties.</p> <p>Wizink is committed to have strict and transparent standards to prevent, to detect and to remediate any incident arising and to report it to the Data Protection Authorities according to data protection regulation.</p> <p>Wizink has no appetite for deliberate breaches of data protection regulation requirements.</p>

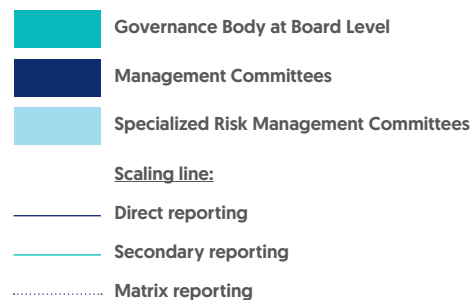
Risk type	Risk Management
<b>Financial crime risk</b>	
<div>  <p>This is the facilitation of money laundering, terrorist financing, breaches of economic and financial sanctions and bribery and corruption. WiZink is subject to the legal requirements of the EU and Spain. The Portuguese branch applies additional local policies and procedures to comply with local legislation.</p> <p>For WiZink, financial crime risk is the risk that employees, third parties or products and services may be used to facilitate financial crime. This may undermine market integrity and give rise to regulatory breaches and/or losses to different stakeholders as customers, shareholders, counterparties or employees amongst others. Financial crime risk events may also result in financial fines [pursuant to Spanish Law 10/2010 on the prevention of money laundering and of terrorist financing and Portuguese Law 25/2008 on the prevention of money laundering and of terrorist financing], reduced market performance and reputational damage.</p> </div>	<p>WiZink is committed to preventing financial crime and ensuring that its products are not used for money laundering or terrorist financing. The bank is also committed to ensuring that none of its products or transactions are provided or executed for the benefit of sanctioned individuals or entities. Compliance with applicable laws and regulations regarding money laundering, sanctions, bribery and corruption is critical to the bank's business.</p> <p>The company is committed to maintaining strict and transparent standards and to strengthening processes to ensure compliance with applicable laws and regulations. WiZink takes into account that the involvement of other entities in the bank's operations might complicate financial crime risk management. However, the bank is committed to ensuring that such outsourcing does not affect the application of the established standards and requirements.</p>

Additionally, the risks derived from climate change and environmental deterioration are analysed, having concluded that they are not material for the Company.

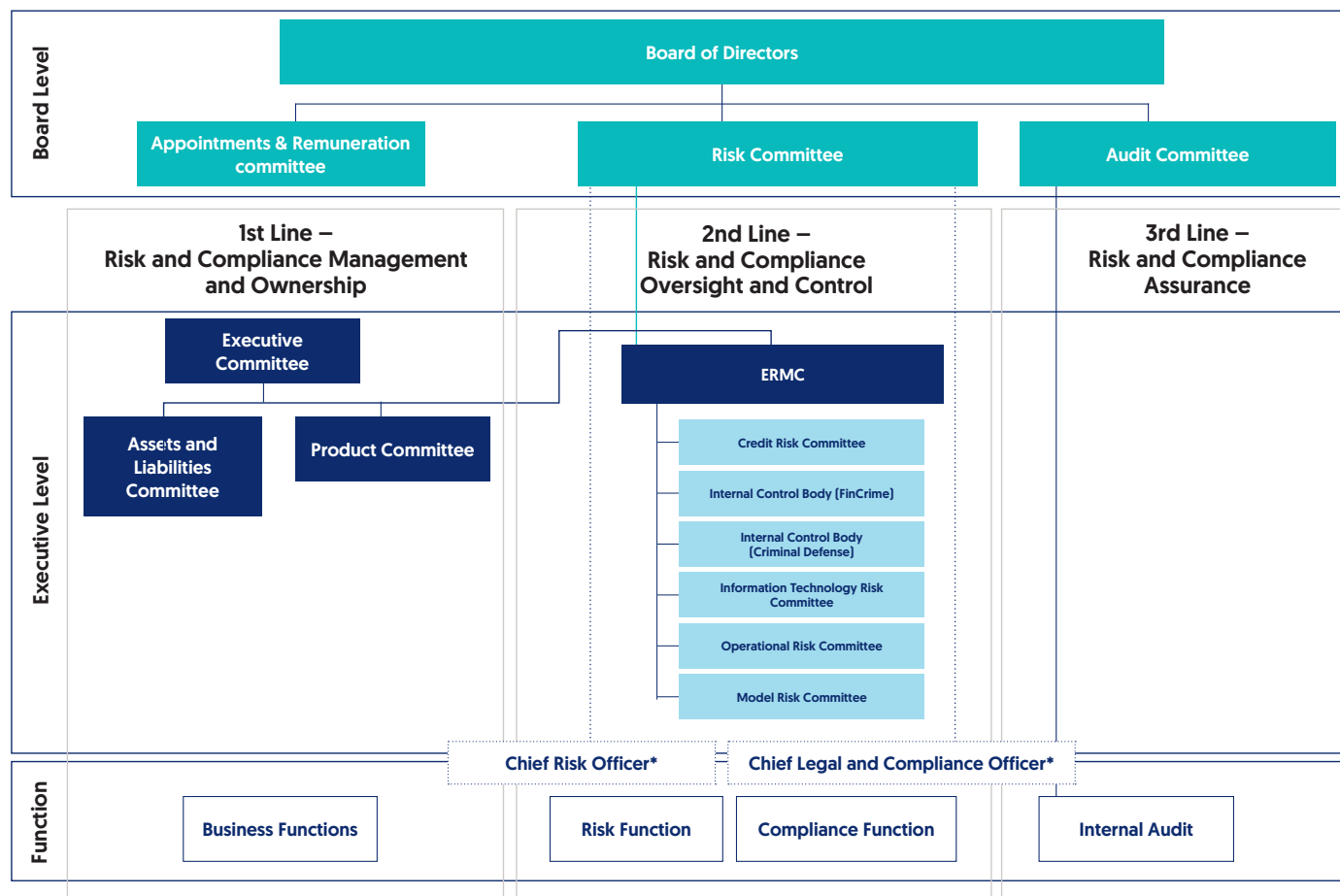
## 4.2. Risk management governance

WiZink follows a risk management and control model based on three lines that interact with the overall corporate governance structure to define risk and compliance management. This model ensures a clear delineation of responsibilities between ownership and management, oversight and control, and ensures independence.

In addition to the three lines, the Board of Directors and the Audit and Risk Committees are responsible for the proper management and control of risks at the highest level of the organisation. This model follows the guidelines published by the Basel Committee on Banking Supervision in July 2015 under the title “Corporate governance principles for banks” and EBA guidelines GL/2021/05 related to Internal Governance.



\* Executive Committee members



# 5. Fighting corruption and bribery



## 5. Fighting corruption and bribery

WiZink works continuously towards maintaining a solid compliance culture by promoting responsible finance principles. The Company has available various tools and policies to enable it to fight against corruption, bribery and money laundering.

In addition to having a policy for the prevention and detection of criminal risks, the bank also promotes its policy that irregularities should be reported. The bank also keeps the Code of Conduct, the Internal Whistleblowing Channel, the Conflicts of Interest Policy and the Gifts and Invitations Policy up to date, all of them fully adapted to WiZink's structure and organization with the aim of strengthening the Group's commitment to ethics and transparency.

In addition, it has a Delegations Manual where a decision-making process is defined, and the corresponding degree of responsibility is attributed to each decision-making body and directors within the Group.

Compliance area acts as a second line in relation to non-financial risks, specifically prevention of money laundering and financing of terrorism, data protection, conduct, reputational and regulatory.

The main tasks of the Compliance function are to ensure that all customers are treated justly and to identify, assess, report and manage compliance and reputational risks affecting all business lines, employees, products and legal vehicles. In addition to having other control areas and functions, Compliance function establishes the compliance standards and applies an approach based on overall risk. It is also

charged with effectively overseeing and monitoring the regulatory environment affecting WiZink's activity; it supervises and monitors observance of the Code of Conduct, and is responsible for promoting a culture of compliance, with respect to the regulations governing penalties and terrorist financing, money laundering, corruption and bribery, potential conflicts of interest and, in general, any criminal activity that could be perpetrated at WiZink.

### Policy for the detection and prevention of criminal risks

WiZink has a policy to detect and prevent criminal risks, which is owned by the Compliance manager. This policy is communicated to all WiZink's executives and employees, thus demonstrating a commitment to permanently supervise behaviour and sanction any fraudulent acts and conduct. At the same time, this is an effective means of communication and raising awareness among all stakeholders by promoting an ethical and honest business policy.

During 2022 WiZink has made contributions to foundations and nonprofit entities amounting to 473.557,95€.

### 5.1. Mitigation of the risk of money laundering and terrorist financing

WiZink's Compliance function works actively to prevent money laundering and terrorist financing. In order to avoid and mitigate these risks, both Spanish Law 10/2010 and Portuguese Law 83/2017 establish the need to take due diligence measures according to the operational risk and the profile of the customer.

For this reason, WiZink analyses all of its customers by cross-checking their data against the lists of sanctions and politically exposed persons both at the beginning of the business relationship and daily with the updating of the lists.

During this process WiZink checks whether customers have been sanctioned for money laundering, terrorist financing, corruption, bribery, embezzlement, or other crimes. If an incidence is detected during the verification-process, measures are taken immediately. Depending on the facts and the circumstances, WiZink may freeze or block the funds.

Risk management is based on the full identification and knowledge of the customer, which will enable the customer to be adequately monitored during the business relationship and thus reduce WiZink's exposure to the risk of being used for money laundering and terrorist financing.

In addition, the bank has implemented a set of measures to limit the risk in terms of money laundering that customer actions could cause WiZink, such as the collection of more information depending on the origin of the funds and the background of the operation of the customer's transaction:

- As for the products, it is limited to deposits, savings accounts, credit cards, Personal Loans, and Financing at the point of sale of Products and Services, as well as Used Vehicles [second-hand] from March 2022 due to

absorption by Wizink Bank, S.A.U from the companies Aplazame, S.L.U. and Lendrock Spain, S.L respectively. Most of which are classified as low risk in relation to money laundering and terrorist financing.

- New contracts can only be entered into with customers resident in Spain and Portugal.
- In general, only fund transfers from entities operating in countries, territories or jurisdictions in the SEPA area are allowed.

The bank also has available a number of measures that allow it to reduce the risk of money laundering and terrorist financing, such as:

- Application of due diligence measures based on the level of risk attributed to the customer, extending the requirements for information and documentation where appropriate.
- Customer monitoring and profiling through the AML-Check application, verifying that the transaction in question is consistent with the business declared, with an alert being sent if this is not the case.
- It has an independent Internal Control Body equipped with sufficient human and technical resources to act effectively and diligently in this area.
- The bank has a representative to the SEPBLAC [Executive Service of the Commission for the Prevention of Money Laundering and Monetary Offences], whose mission is to channel communications between the Executive Service and the bank and to represent the Company in the event of a citation by the Executive Service.
- Preparation of an annual training plan in the prevention of money laundering and terrorist financing, together with information in this area.
- The bank has a money laundering prevention unit with sufficient human and technical resources for prevention and with staff dedicated exclusively to this area.

- The annual internal audit plan includes the area of prevention of money laundering and terrorist financing, and the performance of regular checks on the application of the model for the prevention of money laundering and terrorist financing.
- The bank is subject to annual review by an external expert registered with the SEPBLAC, which consists of a full review the first year and follow-up reviews in the following two years.

In 2022, the annual online training for the prevention of money laundering and terrorist financing was given in accordance with the established plan. Likewise, the UPBC [unit for the prevention of money laundering] has also attended seminars and online conferences given by specialized consulting firms and the regulator [SEPBLAC] itself.

## 5.2. Code of conduct and internal whistleblowing channel

WiZink's aim is to encourage ethics, honesty and professionalism within the Company and among its employees and to develop and maintain a standard of conduct acceptable to the Company, third parties, customers and employees.

To this end, the bank provides training on the Code of Conduct to all its employees, who are obliged to know it, comply with it and facilitate its implementation.

The Code of Conduct defines, inter alia:

- **Specific rules to avoid corruption**, both among public officials and private citizens, forbid any delivery, promise or offering of any payment, commission, gift or remuneration, and always upholding a duty of care.
- **Guidelines to follow with respect to environmental protection**; todos los empleados, dentro del ámbito de sus competencias, están obligados a cumplir siempre todos los requisitos legales y los procedimientos internos establecidos por WiZink, con la finalidad de reducir o evitar, en la medida de lo posible, cualquier impacto en el medio ambiente provocado por sus actividades.

## General guidelines regarding internal relations at WiZink

**Principle of equality and non-discrimination.** One of WiZink's basic principles is to ensure a working environment where personal dignity is guaranteed and where any conduct that is contrary to fundamental human rights protected by the Spanish Constitution and the law and the legislation applicable in any country where WiZink operates is avoided.

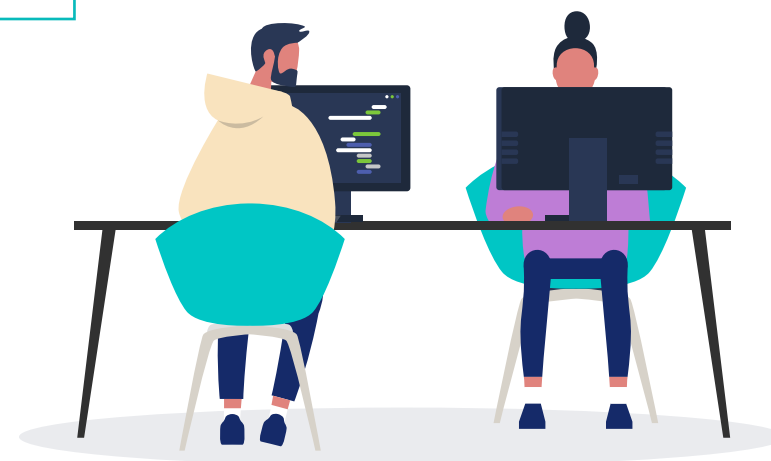
**Respect for persons in all professional relationships at WiZink.** The bank encourages its employees to have professional relationships based on respect and reciprocal collaboration. WiZink is committed to ensuring a working environment free from violence and/or any harassment whatsoever; no abusive conduct is allowed, or intimidation, disrespect or any type of physical or verbal violence in the Company's professional relationships. WiZink has an action protocol in place to cover any possible workplace harassment, the aim being to establish an alternative action framework within the bank, in addition to the internal

whistleblowing channel (Ethics Channel) available to any worker who detects or considers himself/herself affected by any type of harassment.

**The work-life balance.** WiZink encourages its employees to reach a balance between the performance of their professional activity and their personal and family needs. This is achieved through measures that facilitate flexible hours, among other things.

**Collective rights.** One of WiZink's principles is to encourage social wellbeing and employment stability through an open flow of communication with all the trade unions and by promoting dialogue, communication and transparency.

**Occupational risk prevention.** WiZink seeks to ensure that its employees understand and follow any preventive measures related to health and safety at work. The bank also aims to guarantee that all employees are adequately trained in occupational risk prevention matters and carry out their activity in a safe environment.





The Ethics Channel or Internal Whistleblowing Channel allows information relating to violations of the Code of Conduct, irregularities detected regarding the prevention of money laundering or terrorist financing, any breach of the law or WiZink's internal regulations and any discriminatory or threatening action to be reported, with the possibility of making anonymous complaints. This channel makes it possible to detect any criminal conduct and provides an opportunity for any suspicious conduct to be identified at the earliest possible stage, with the utmost guarantee of impartiality and confidentiality.

This channel is clearly visible on the bank's intranet and is managed by a third party, thus guaranteeing the confidentiality of any complaints, since under no circumstances does WiZink have access to the identity of the whistle-blower. This supplier monitors the functioning of the channel and issues six-monthly reports on the number of complaints reported, handled and in progress. At least once a year the Compliance function carries out an assessment of the internal whistleblowing channel and issues a report.

For some matters this Channel acts as an additional channel or alternative to other existing tools, such as direct communication with the HR Department, trade unions, or the Health & Safety Committee to initiate a prevention protocol in the event of harassment, etc.

Every year a report is prepared that includes the cases communicated by WiZink employees (including directors and senior management) through the Whistleblowing Channel. In 2022, there were no relevant incidents in terms of discrimination, harassment, human rights, or corruption. Three complaints have been received through the Whistleblowing Channel. One of them was not anonymous due to discrimination, which after being evaluated and investigated was closed without risk or necessary actions. And two of an anonymous nature: One due to a potential conflict of interest, which was

also evaluated and investigated, closing with recommendations; and the other on hostile climate and workplace bullying, on the latter, after being evaluated and investigated, it was closed, communicating the conclusion to Human Resources in order to adopt recommendations and follow up on them.

### 5.3. Other policies in support of the Code of Conduct

The Company has a **Conflicts of Interest Standard** as development of the Code of Conduct; its purpose is to identify, assess, manage and mitigate or prevent actual or potential conflicts of interest that might arise in the performance of WiZink's activities.

Also, WiZink has a **Gifts and Invitations Standard**, as development of the Code of Conduct. Although the exchange of gifts and invitations is part of business in the domestic and international sphere, in the area where WiZink carries on its activity, inappropriate or excessive gifts and invitations are occasionally made for the purpose of exercising inappropriate influence and give the appearance of bribery or corruption. In this connection, to minimize any type of related risk, the policy forbids employees from accepting any kind of income or commissions from transactions performed by WiZink, and employees are not allowed to take advantage of a position held to their own benefit.

1	2	3	4	5	6	7	8	9	10	11
Introduction	Materiality study and ESG strategy	Business model	Risk Management	Fighting corruption and bribery	<b>Social and employee-related issues</b>	Commitment to society	Respect for human rights	Environmental matters	EU Taxonomy	Appendix
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____



## 6. Social and employee-related issues



## 6. Social and staff-related issues

WiZink's employees are a key part of the company's strategy. It therefore aims to increase the commitment of all employees to WiZink's principles, which are based on transparency, integrity, respect and honesty, collaboration, self-fulfilment and commitment. Moreover, a range of policies and internal control bodies guarantee high levels of compliance with current applicable legislation in every area of work [equality, diversity, reconciliation, occupational risk prevention, etc.].

### 6.1. Employment

As at 31 December 2022, WiZink had 1151 professionals (against 1280 at the end of 2022). 707 of them were women (61%) and 444 men (39%), in line with the previous year. Moreover, 99% of WiZink's workforce had permanent contracts and 82% of staff were between the ages of 30 and 50.

2022 saw a number of milestones that had a significant impact on the figures reported in comparison with the year 2021. In addition to the reduction in the workforce (primarily focused on the subsidiaries Iberalbión S.L. and WiZink Gestión S.L., which have a high number of administrative, temporary and part-time staff due to the activity they carry out), the process of adaptation to the latest labour reform also had an effect. In practice, this has led to the elimination of specific works or service contracts, as well as the effective integration of the workforces of the subsidiaries Aplazame and Lendrock into the parent company WiZink Bank, S.A.U.

Shown below is the main quantitative data relating to WiZink's workforce:

#### Total number and distribution of employees by gender, age, country and professional category

##### 2022

Country	Employees	Age group			Professional category					
		<30	30-50	>50	Directors and senior management		Staff in other categories		Administrative staff	
					W	M	W	M	W	M
Spain	1,057	79	849	129	13	17	259	239	377	152
Portugal	94	1	90	3	3	1	55	35	-	-

##### 2021

Country	Employees	Age group			Professional category					
		<30	30-50	>50	Directors and senior management		Staff in other categories		Administrative staff	
					W	M	W	M	W	M
Spain	1190	96	938	156	16	22	254	227	480	191
Portugal	90	1	86	3	4	-	52	34	-	-

## Total number and distribution of employment contracts by type

2022

Gender	Age group	Permanent contracts		Temporary contracts	
		Full-time	Part-time	Full-time	Part-time
Women	Under 30 years old	32	9	-	3
	30 to 50 years old	465	109	-	2
	Over 50 years old	66	21	-	-
Men	Under 30 years old	31	4	-	1
	30 to 50 years old	337	25	-	1
		40	4	-	1
TOTAL		971	172	0	8

2021

Gender	Age group	Permanent contracts		Temporary contracts	
		Full-time	Part-time	Full-time	Part-time
Women	Under 30 years old	30	13	9	2
	30 to 50 years old	452	152	24	14
	Over 50 years old	77	31	2	-
Men	Under 30 years old	28	6	4	5
	30 to 50 years old	330	37	9	6
		42	7	-	-
TOTAL		959	246	48	27

## Annual average and distribution of employment contracts by type

2022

Gender	Permanent contracts		Temporary contracts	
	Full-time	Part-time	Full-time	Part-time
Women	601	165	2	2
Men	416	40	1	1
<b>TOTAL</b>	<b>1,017</b>	<b>205</b>	<b>3</b>	<b>3</b>

Age group	Permanent contracts		Temporary contracts	
	Full-time	Part-time	Full-time	Part-time
Under 30 years old	75	17	1	1
30 to 50 years old	813	156	1	2
Over 50 years old	130	33	0	1
<b>TOTAL</b>	<b>1,017</b>	<b>205</b>	<b>3</b>	<b>3</b>

Professional category	Permanent contracts		Temporary contracts	
	Full-time	Part-time	Full-time	Part-time
Directors and senior management	36	0	0	0
Staff in other categories	589	0	1	0
Administrative staff	393	205	2	3
<b>TOTAL</b>	<b>1,017</b>	<b>205</b>	<b>3</b>	<b>3</b>

## Annual average and distribution of employment contracts by type

2021

Gender	Permanent contracts		Temporary contracts	
	Full-time	Part-time	Full-time	Part-time
Women	552	210	37	59
Men	383	56	18	28
<b>TOTAL</b>	<b>935</b>	<b>266</b>	<b>54</b>	<b>87</b>

Age group	Permanent contracts		Temporary contracts	
	Full-time	Part-time	Full-time	Part-time
Under 30 years old	51	22	16	27
30 to 50 years old	762	201	36	52
Over 50 years old	122	44	2	18
<b>TOTAL</b>	<b>935</b>	<b>266</b>	<b>54</b>	<b>87</b>

Professional category	Permanent contracts		Temporary contracts	
	Full-time	Part-time	Full-time	Part-time
Directors and senior management	43	-	-	-
Staff in other categories	542	2	3	-
Administrative staff	351	265	53	87
<b>TOTAL</b>	<b>935</b>	<b>266</b>	<b>54</b>	<b>87</b>

## Number of redundancies

Throughout 2022 there were 83 redundancies in all of WiZink's legal entities. The breakdown by gender, age and professional category is as follows:

### 2022

Gender	Grupo de edad	Professional category		
		Directors and senior management	Staff in other categories	Administrative staff
Women	Under 30 years old	-	-	1
	30 to 50 years old	-	3	30
	Over 50 years old	-	1	14
Men	Under 30 years old	-	-	2
	30 to 50 years old	1	6	21
	Over 50 years old	-	-	4

### 2021

Gender	Grupo de edad	Professional category		
		Directors and senior management	Staff in other categories	Administrative staff
Women	Under 30 years old	-	-	3
	30 to 50 years old	-	4	17
	Over 50 years old	-	2	11
Men	Under 30 years old	-	1	2
	30 to 50 years old	3	7	6
	Over 50 years old	-	1	5

## 6.2. Remuneration

WiZink's Remuneration Policy, the latest review of which was carried out in 2022, refers to corporate wage compensation criteria. At WiZink, wage remuneration is in line with the market and in all cases the provisions of the applicable collective agreement of each legal entity are observed. The minimum wage is therefore exceeded in all cases. Shown below is the average remuneration by gender, age and professional category:

Specifically, 71.3% of the employees identified as "Administrative staff" are women and it is this – together with the concentration of women at Iberalbión, a subsidiary representing 38% of the WiZink Group's workforce and with 98.6% of its employees classified as "Administrative staff – which has mainly largely led to this deviation. However, there is a high degree of balance among the female employees identified as "Directors and senior management" [47.1%] and those identified as "Staff in other categories" [53.4%].

approved the remuneration policy for members of the Board of Directors. It should be pointed out that only the services provided by the members of the Board of Directors who are considered independent and executive directors are remunerated.

The independent directors are entitled to the fixed remuneration established annually at the Ordinary General Shareholders' Meeting and to be reimbursed for any expenses incurred in the performance of their duties. This remuneration is paid in twelve monthly payments and must be paid on a pro rata basis if the directors perform their duties for less than twelve months of the year.

Information on the average remuneration of the directors and executives is included in section 7 [Remuneration of Directors and Senior Management] of the Consolidated Financial Statements as at 31 December 2022.

The table below shows the average remuneration of the directors and executives by sex:

Professional category	Age group	2021		2022	
		Women	Men	Women	Men
<b>Directors and senior management</b>	Under 30 years old	-	-	-	-
	30 to 50 years old	€182,482	€165,725	€213,225	€178,821
	Over 50	€168,106	€217,114	€183,763	€177,384
<b>Staff in other categories</b>	Under 30 years old	€32,837	€45,249	€36,408	€44,084
	30 to 50 years old	€50,607	€56,067	€51,293	€58,164
	Over 50	€58,354	€69,100	€56,571	€69,161
<b>Administrative staff</b>	Under 30 years old	€17,136	€17,948	€19,411	€18,455
	30 to 50 years old	€19,164	€20,381	€19,350	€21,270
	Over 50	€20,369	€19,961	€19,753	€19,963

Includes annual basic salary and variable remuneration (annual bonus and incentives) actually paid in 2021 and 2022.

At consolidated level, the gender pay gap at WiZink is 3.4% [vs. 4.5% in 2021 using the same methodology]. This is primarily due to the increased presence of women in positions identified for the purposes of this report under the category of "Administrative staff", positions which usually have lower remuneration.

In order to calculate the gender pay gap, men's and women's median earnings were established by weighting the number of employees of the Company's different subsidiaries according to their corporate and country level.

With regard to the average remuneration of directors and executives, in July 2021 the General Meeting of the Company

	2021		2022	
	Members	Remuneration	Members	Remuneration
M	4	167,000 €	4	151,333 €
W	2	144,000 €	2	100,500 €
<b>Total</b>	<b>6</b>	<b>159,333 €</b>	<b>6</b>	<b>131,000 €</b>

\*For the calculation of the average remuneration, independent directors are considered, including the Non-executive Chairman, with non-executive functions and who have exercised their function during the years indicated. In the event of not having exercised their function during the entire year, to allow their comparison, their remuneration has been annualized. The average remuneration of male directors without taking into account the Non-executive Chairman would have amounted to €107,000 in 2021 and €142,667 in 2022.



### 6.3. Organisation of work

As a result of the pandemic, telework has generally been implemented at WiZink as a health and safety at work measure. Accordingly, WiZink has made a large investment in terms of time and material resources.

After a significant improvement in the epidemiological situation, the Management Committee decided to continue with a hybrid and flexible way of working.

With social distancing having been eliminated, managers now plan their teams' presence in the office according to the nature and needs of each job.

The key points of this hybrid and flexible way of working are as follows:

- A hybrid way of working means that part of the time is spent in the office and part is spent working remotely. Each area and team has a different schedule based on their needs, the type of work they do, the projects in which they are involved, etc. Different ways of working therefore coexist alongside each other at WiZink.
- Generally speaking, up to 30% of hours can be teleworked each quarter. In any event, telework or remote work days will always be agreed with the managers.
- In order to guarantee personal interaction and interaction between teams, at least 1 day a week must be worked in the office.
- Any employees who wish to work in the office all the time may do so without any problem.

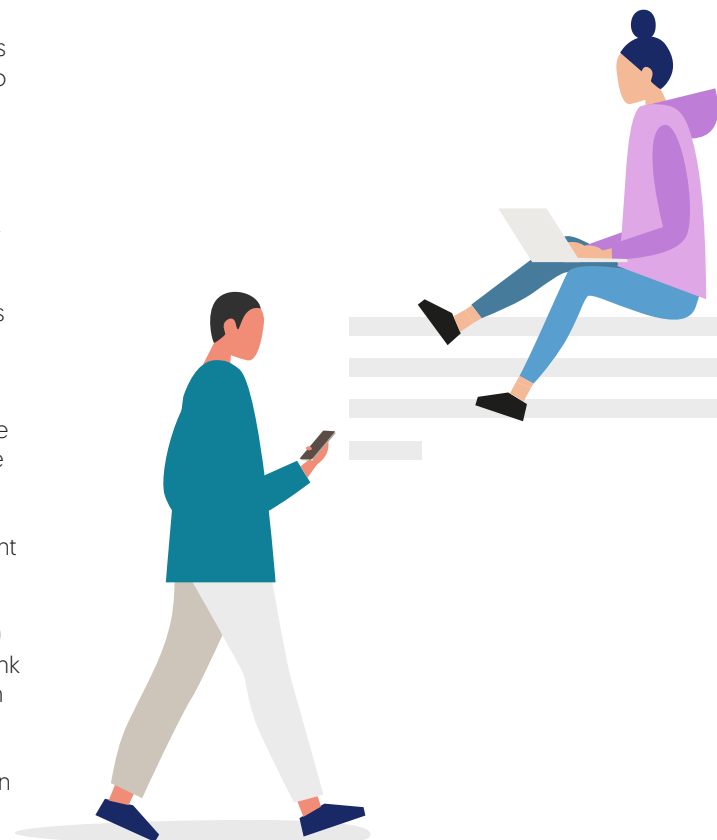
This flexible way of working also means that it is possible to work remotely on certain days not agreed in the schedule, always in coordination with the manager.

In addition, other internal flexibility measures have been implemented at WiZink. These include flexitime, by virtue of which employees are able to work their hours before or after working hours; continuous hours, when permitted by the needs of the area; and short-time working, which allows employees to work fewer than the established hours, with the corresponding proportional reduction in salary.

In order that the employees may provide their services from home, WiZink guarantees that it will provide the following work tools for all the jobs whose functions require them:

- Company laptop and mobile phone, allowing employees to access their email remotely.
- Microsoft Teams will be installed on the laptops. This can be used to send and receive messages, make one-to-one or group calls or video calls and participate in or organise meetings.
- Office 365 Cloud, which allows files, folders and SharePoint to be accessed anytime, anywhere.

In compliance with Spanish legislation in this regard, in June 2020 WiZink implemented the working hours record tool at WiZink Bank S.A.U. and WiZink Gestión S.L., as well as the digital disconnection protocol. Both documents were consulted with the workers' representatives, although the decision to implement them was taken by the companies given that it was not possible to reach an agreement with the workforce. In relation to both protocols:



- The **working hours record** tool, as well as its organisation and documentation, complies with the provisions of both the Workers' Statute and the sectoral agreements applicable to WiZink companies that have been published to date, as is the case of the agreement on the working hours records in the banking sector. Moreover, in some cases WiZink's internal protocol goes further than the requirements of current legislation, establishing additional obligations for the company such as delivering the working hours records to the workers' legal representatives on a monthly basis, providing these reports in electronic format, etc.
- The **digital disconnection protocol** was also unilaterally implemented in all companies with the aim of ensuring that employees are aware of the fact that they may make use of the discretionary right to digital disconnection at any time, a circumstance which must not have any negative consequences for them – for example, with regard to promotion or remuneration.

All the documentation related to the working hours record and digital disconnection –including protocols, training videos, the user guide for the working hours record tool and documents containing frequently asked questions – is available to the employees on a specific site set up on the Intranet.

Both the tool and the protocol have been implemented in all of the Group's subsidiaries in Spain.

In addition, and with regard to the working hours, it should be pointed out that the continuous working day is applied at WiZink Bank in summer, following the agreement reached with the workers' representatives in 2018 [Collective Agreement on the Standardisation of Work Time]. According to this agreement, at the start of the continuous working day period [from 23 to 31 May] certain days may be replaced by others

which are more appealing to employees [for example, days before long weekends, public holidays, non-school days, etc.]. The choice of these replacement days during the continuous working day period will be agreed with the workforce and reflected in an annual agreement.

In the case of WiZink Gestión, the employees for whom the Collective Agreement on Offices and Shops of Madrid is applicable are entitled to 13 weeks of continuous working days a year, of which at least 4 consecutive weeks will always be in summer.

#### 6.4 Health and safety

WiZink is committed to improving its employees' working conditions, health and wellbeing. With this in mind, the Company's ongoing and fundamental objective is to continuously improve its health and safety policy.

As part of this health and safety policy, the 2022 People Plan included the WELLBEING AHEAD programme, through which WiZink undertakes to develop numerous activities aimed at taking care of employees' health and to carry out initiatives that will cover both physical and mental health.

The objectives of the various campaigns are as follows:

- Involve employees and make them aware of the importance of preventing the specific risks of each campaign.
- Promote healthy lifestyles and implement the proposed health measures.
- Reduce absenteeism from work.

In 2022, WiZink carried out the following activities as part of the “WELLBEING AHEAD” programme:

#### FIRST HALF OF THE YEAR

- **15 to 21 March:**

- **European Week for Cardiovascular Risk Prevention**

- WiZink promoted actions to raise awareness of our ability to influence the main risk factors involved in the majority of cardiovascular diseases, such as smoking, high cholesterol, high blood pressure, untreated diabetes, obesity and a sedentary lifestyle.

- Over the course of the week, WiZink offered a programme of activities with a range of actions still limited by the situation caused by COVID-19:

- Sport and healthy nutrition. The teams created a fresh energy shake recipe, using their ‘own energy’ by pedalling our ‘cycle mixer’.
    - Active Break: Paying attention to breathing - several facilitators taught the employees to take active breaks and connect with their breathing in order to relieve stressful situations and improve concentration.
    - Laughter therapy workshop
    - Webinars: Batch cooking; Sleep as the starting point for wellbeing; Physical exercise and health; Living without tobacco.
    - BMI and blood pressure measurements
    - Weight control and monitoring and healthy diet

- **27 April**  
**RUNNERS CLUB:** Race against cancer
- **18 April**  
**World Health and Safety at Work Day:**  
Quiz on the intranet
- **6 April**  
**Blood donation campaign**
- **22 April**  
**Training on use of the defibrillator and CPR**
- **31 May**  
**World No Tobacco Day.** Newsletter on the intranet
- **19 May**  
**Practical training on extinguishing fires**
- **22 May**  
**RUNNERS CLUB:** Carrera del Taller race  
Juan Carlos I Park
- **13 June**  
**10 road safety tips** for your holidays. Newsletter on the intranet
- **15 and 16 June :**
- You have an appointment with your **visual health: retina check-up** at Ulises

## SECOND HALF OF THE YEAR

### • 17 to 21 October:

#### **Health and Safety at Work Week**

In October WiZink took part in the European Week for Safety and Health at Work, proposing a number of activities aimed at raising awareness and promoting healthy habits focused on two key areas:

- Improving posture habits
- Boosting emotional wellbeing

Over the course of the week, WiZink offered a programme of activities with a range of actions:

- Face-to-face workshops:
  - \* Mindfulness for daily life
  - \* Workshop to improve posture habits: a mime showed how to correct bad posture when using the computer.
- Webinars: Food labelling and healthy shopping; Learning to eat out healthily; How to recharge your emotional battery.
- Deliverable: emotion magnet
- Photography competition: Safety in everyday life (good and bad practices)

### • 8 August

#### **This summer, keep the sun at bay!**

Newsletter on the intranet

### • 1 September

#### **Medical check-up** campaign

### • 18 September

#### **RUNNERS CLUB:**

The Around Madrid race

### • 17 October

#### **Flu vaccination** campaign

### • 01 December

Webinar on how to **prevent different types of cancer**

### • 13 November

**RUNNERS CLUB:** Moratalaz half marathon

### • 18 December

**RUNNERS CLUB:** Companies race

### • 21 December

#### **Blood donation campaign**

In addition, WiZink offers a range of services to guarantee the health of its employees at work. For example, in Spain the bank has (i) a healthcare service in its headquarters; (ii) four semi-automatic external defibrillators; (iii) a free Valora Prevención healthcare card which is available for employees to get advice from health specialists, including special prices and benefits; (iv) benefits for pregnant women, such as a

designated parking space available from the 20th week of pregnancy; and (v) employees have access to seasonal bowls of fruit that are available on all floors.

Lastly, in 2016, the bank signed up to the Luxembourg Declaration and has therefore incorporated the basic principles for promoting and managing occupational health.

### The situation caused by Covid-19 in 2022 forced WiZink to carry out the following activities

- Contingency Plan - Transitional Work Plan until the end of Covid-19: regular review and updates when appropriate.
- Update of Occupational Risk Assessment including the risks arising from Covid-19.
- Regular meetings and reports to the Health and Safety Committee, keeping them informed of the latest developments and the current situation.
- Maintenance of the Coronavirus "Contingency Plan" Committee, made up of different areas for operational management of the crisis.
- Regular information on the intranet with updates on legislation and preventive measures in workplaces as a result of the situation caused by Covid19.
- Voluntary evaluation of telework workstations and subsequent allocation of equipment (ergonomic

chairs, monitors, etc.) for the ergonomic adaptation of workstations.

- Adaptation of facilities to comply with current regulations, updating them according to the progress of the pandemic.
- Procedure for purchase and delivery of PPE (face masks, etc.)
- Evaluation and monitoring of notified positive cases of Covid-19 [detection of close contacts, etc.]
- Evaluation of groups vulnerable to COVID-19. Employees in groups vulnerable to COVID-19 inform WiZink's Risk Prevention Service of their situation so that a specific evaluation of their situation can be carried out and an assessment of whether it is necessary for a specific medical check-up to be completed by the External Risk Prevention Service. It can then be confirmed whether they are FIT for work or require adaptation of their workstation.

The breakdown of accidents at work and their rates by legal entity<sup>5</sup> and gender are as follows:

#### All genders:

2022	WIZINK BANK, S.A.U.	WIZINK GESTION, S.L.	WIZINK BANK PORTUGUESE BRANCH	IBERALBION, S.L.
Frequency rate [*]	0	0	0	1.12
Incidence rate [*]	0	0	0	196
Severity rate [**]	0	0	0	0.05

#### Men:

2022	WIZINK BANK, S.A.U.	WIZINK GESTION, S.L.	WIZINK BANK PORTUGUESE BRANCH	IBERALBION, S.L.
Frequency rate [*]	0	0	0	3.99
Incidence rate [*]	0	0	0	675.68
Severity rate [**]	0	0	0	0.18

#### Women:

2022	WIZINK BANK, S.A.U.	WIZINK GESTION, S.L.	WIZINK BANK PORTUGUESE BRANCH	IBERALBION, S.L.
Frequency rate [*]	0	0	0	0
Incidence rate [*]	0	0	0	0
Severity rate [**]	0	0	0	0

<sup>5</sup> Data provided by mutual insurance society at legal entity level

[\*] In the calculation of the frequency and incidence rates, accidents with sick leave are taken into account, excluding accidents on the way to or from work.

[\*\*] In the calculation of the severity rate, the working days lost through accidents are listed (excluding accidents on the way to or from work).

In 2022 there were 10 accidents (including those on the way to or from work), 5 of which occurred in the workplace. There were no occupational diseases in this period.

Shown below is the breakdown of accidents by legal entity<sup>5</sup> and gender of the victims. Following the return to on-site work during the year, there was a slight increase in the number of accidents on the way to or from work in the legal entities of WiZink Gestión and Iberalbión:

In 2022, there were 165,281 hours not worked (equivalent to 23,612 days not worked), which represents 7.8% of the total hours worked. In 2021, work absenteeism meant 133,406 hours not worked (equivalent to 19,058 days not worked), that is, 6.2% of the total hours worked. This variation in hours not worked is due, among other minor factors, to the inclusion of data in 2022 from Aplazame and Lendrock (merged during the year) that were not available in 2021.

2022	WIZINK BANK, S.A.U.		WIZINK GESTION, S.L.		WIZINK BANK PORTUGUESE BRANCH		IBERALBION, S.L.	
	M	W	M	W	M	W	M	W
No. of accidents	1	0	0	3	0	0	1	6
No. of accidents on the way to or from work	1	0	0	3	0	0	0	2
No. of accidents not on the way to or from work with sick leave	0	0	0	0	0	0	1	0
No. of accidents not on the way to or from work without sick leave	0	0	0	0	0	0	0	4

2021	WIZINK BANK, S.A.U.		WIZINK GESTION, S.L.		WIZINK BANK PORTUGUESE BRANCH		IBERALBION, S.L.	
	M	W	M	W	M	W	M	W
No. of accidents	1	0	0	1	0	0	2	6
No. of accidents on the way to or from work	1	0	0	0	0	0	0	3
No. of accidents not on the way to or from work with sick leave	0	0	0	0	0	0	0	0
No. of accidents not on the way to or from work without sick leave	0	0	0	1	0	0	2	3

<sup>5</sup> Data provided by mutual insurance society at legal entity level

## 6.5. Corporate Relations

### Dialogue, consultation and engagement with employees

WiZink is the result of the integration of employees from various companies with very different cultures, which has helped to develop and build a corporate culture with well-defined values, generating a feeling of involvement and commitment.

Open dialogue, based on mutual transparency and trust, with workers' representatives is guaranteed at those entities that have them. Formal and informal meetings with trade unions are held regularly, whenever requested by either party. Likewise, agreements are reached that both parties consider benefit the interests of employees, improving the provisions of current regulations.

In all employee-related matters, WiZink acts with full responsibility and observing all national and international labour standards [European Union legislation and International Labour Organization Agreements signed by Spain and Portugal].

#### Internal communication at WiZink

Internal communication in WiZink is carried out with the aim of disseminating an open culture of participation and transparency within the organization.

WiZink's main communication channel is the Intranet, there being several internal pages both in Spain and Portugal.

On the other hand, WiZink conducts several surveys to know and act according to the opinion of all its employees. The aim of these surveys is to collect suggestions, request feedback or assess initiatives.

#### Collective bargaining agreements

In Spain, different agreements apply to all employees depending on the activity carried out by each subsidiary: the Collective Bargaining Agreement for Banking, the Community of Madrid Collective Bargaining Agreement for Offices, the Collective Bargaining Agreement for Financial Credit Institutions and the State Contact Centre Collective Bargaining Agreement. In Portugal, all employees are covered by the Banking Agreement, except one employee, whose employment relationship is governed by General Law.

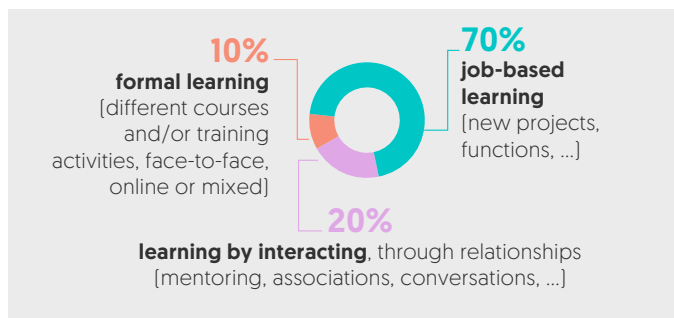
The various collective bargaining agreements applicable to WiZink contain specific measures in the field of health and safety at work. In this sense, the Department of Occupational Risk Prevention ensures compliance with the different provisions in this area. In addition, this department is actively working to promote numerous health promotion actions [See Section 6.4. Health and Safety]. In Spain, there is employee representation on safety and health committees.



## 6.6. Training

The WiZink Development and Learning Model stresses each employee's responsibility for their own professional career and development and it is based on the 70/20/10 Model.

The 3 fundamental pillars of this model are the following:



At the beginning of the year, WiZink launched the 2022 Training Plan, aligned with both the business objectives and the needs detected.

It is organized in 4 large blocks: (i) My Tips, (ii) Experts, (iii) Platform and (iv) Upskilling, which include both mandatory regulatory training and specific technical training, technology, ...

As part of the “Experts” sessions, a training session open to all employees was held to explain ESG concepts and raise awareness of WiZink’s ESG strategy.

Additionally, this year 3 different programmes have been launched to enhance Manager leadership: **LAP** [Leadership Accelerator Programme], **LTO** [Lead the Organization] and **Managers Hub**.

Furthermore, training actions at Iberalbión have focused, on the one hand, on providing team leaders with tools for the management and leadership of their teams and, on the other, the preparation of new incorporations, reinforcement learning and new procedures for existing workers in Call Centre services, Business Unit, SCCU, Credit Initiation and Operations area.

On the other hand, the Aplázame business unit organizes non-regulatory training in a flexible and ad hoc way, in a model where the employees themselves, on a consensual basis with their Manager, decide their development to establish the guidelines for their growth in the company. This plan is included within the Aplázame Talent and Development Framework. Complementing this technical training, periodic regulatory training actions are also carried out for all these employees.

During 2022, the following training hours have been implemented by professional category. The total number of hours includes the training hours of the legal vehicles Wizink Bank, Wizink Gestion, Wizink Sucursal en Portugal and Iberalbión.

Professional Category	Total hours
<b>Directors and Senior Management</b>	532
<b>Administrative Staff</b>	15,530
<b>Staff Other Categories</b>	12,445
<b>Total</b>	<b>28,507</b>

### 6.7. Universal accessibility

The WiZink Group has 10 employees with disabilities (all with a degree of disability greater than 33%, except one with a degree of disability of 15%) on its staff and offers a completely accessible and discrimination-free environment.

Likewise, the company has formalized contracts with special employment centres and actively collaborates with them in the provision of some services and products, such as the preparation of Christmas hampers or the provision of the intermediation service to deal with the travel arrangements of WiZink employees when providing their services. The entities are currently in the process of acquiring the exceptionality certificate for the adoption of alternative measures, which was already granted in its day. This certificate is already in force at Iberalbión until 2025.

All WiZink workplaces are accessible and have workstations adapted for people with special requirements. In addition, the specific needs of people with disabilities are taken into account, providing them with areas with designated lockers and parking spaces. WiZink also has a procedure by which, when an employee requires an adapted position, Occupational Risk Prevention/HR validates the need and indicates the necessary requirements (headrest, height-adjustable table ...)

### 6.8. Equality

WiZink is fully committed to equal treatment and opportunities between men and women, encouraging and promoting policies that favour real gender equality, both in selection processes and at the remuneration and managerial level. Likewise, it intends to continue with the current trend of promotion and improvement in the access to and permanence in employment of women, enhancing their educational level and their adaptability to labour market requirements, in order to maintain the balanced participation of women and men in the company.

WiZink considers diversity as one of the company's core values, as well as a tool to create value. Thus, diversity is promoted in all its teams, embracing all dimensions, such as age, nationality, experience and knowledge.

One of WiZink's key features is the balanced representation on its Board of Directors and management team: one-third of WiZink Bank's Board of Directors, and more than half of the Executive Board members are female. In addition, equality and equal remuneration between men and women are promoted.

WiZink has different Equality Plans, some of which come from the entities to which employees belonged in the past and which are in the process of being updated. Others, such as the one applicable at Iberalbión was recently negotiated with the workers' legal representatives and has been in force since February 2019. Both the WiZink Bank equality plan and that of WiZink Gestión are in the process of negotiation within their respective Equality Commissions and progress is soon expected to be made in the mandatory collective bargaining in order to have consolidated documents as soon as possible. In any case, there are different measures at all levels that favour flexibility and the balancing of personal and family life, with special attention placed on situations arising from maternity/paternity leave.

At WiZink we have a specific anti-harassment procedure for all employees. This allows them to take the necessary measures, as part of their responsibilities, to ensure a work environment free of harassment in psychosocial terms, not allowing or accepting this type of conduct. In the case of Iberalbión employees, they have a procedure specifically negotiated for them and in force since February 2019, having been incorporated as part of the Equality Plan.

The aim of the anti-harassment procedure is to establish an alternative action framework in the company, in addition to the Ethics Mailbox whistleblowing channel, available to all workers who detect or are affected by any type of harassment (in any of the forms or aspects defined in the protocol). In this way, the necessary steps can be taken quickly and effectively to resolve, with the utmost confidentiality and discretion, any situations that may arise, through the adoption of appropriate measures.



# 7. Commitment to society



## 7. Commitment to society

### 7.1. Company commitment to sustainable development

#### Social Investment Projects

In 2022, WiZink continued to activate its strategy by supporting the two society investment projects initiated in 2019, focused on improving the lives and integration of disadvantaged groups, through innovative social initiatives related to the restaurant sector. Two projects resulting from the existing partnerships and collaborations with the A LA PAR Foundation, which works in Spain for the rights and full participation of people with intellectual disabilities in society, and with the CRESCER Association, an entity founded more than 18 years ago in Portugal, that promotes inclusion in the community of vulnerable groups.

Moreover, it is particularly relevant that both projects are being developed near WiZink's offices in Madrid and Lisbon, and therefore are aligned with the commitment to proximity, day-to-day life, and everyday actions that change people's lives:

- **'El Rodilla de Arturo Soria' IN Madrid.**

The A LA PAR Foundation has franchised a Rodilla restaurant and turned it into the first restaurant in Spain managed and attended by people with intellectual disabilities. WiZink supports this project by providing training for the people who work there, and in 2022, WiZink's contribution was made through a financial donation (€15,080), aimed at supporting the Rodilla project in its digital transformation, through the launch of a training plan, located on the LMS platform, enabling more frequent and easier access to information, facilitating learning. Easy and frequent access to training will serve the needs of each employee by providing

them with the necessary professional skills to achieve competitive performance in the current job market as catering assistants.

- **'É um Restaurante' y ahora 'É uma Mesa' in Lisbon.**

WiZink is one of the entities financing this project of the CRESCER Association. Two restaurants that aim to offer training and create employment opportunities in the restaurant sector for homeless people or those who have lived on the streets. Two projects where training, experience, and service are aimed at vulnerable people, with a view to their social inclusion and improving their living conditions. In 2022, WiZink contributed to the "É uma Mesa" project through an economic donation (€15,044), which will allow the acquisition of essential kitchen equipment for restaurants. Open since 2021, following the success of "É Um Restaurante", "É uma Mesa" is a Pizza bar restaurant located in Bairro Padre Cruz (Carnide), in the vicinity of WiZink's headquarters in Lisbon.

As in the past Christmases, in 2022, WiZink employees donated corporate gifts, received from partners and suppliers, directly to the NGOs Talismán Association in Spain and CRESCER Association in Portugal, which will use these in their own markets to raise funds, or as gifts for people with needs supported by their projects.

Additionally, during 2022 WiZink has donated €25,000 to Cruz Vermhela Portuguesa.

In 2022, WiZink became a member of the United Nations Global Compact, an international organization with more than 15,000 companies committed to respecting human rights, decent work, the environment, and the fight against corruption.

\* This amount is part of the amount reflected under section 5 as contributions to foundations and non-profit entities.



**United Nations**  
Global Compact

## Volunteer Programs

WiZink has carried out a corporate volunteering program in Spain to help students between the ages of 14 and 17 improve their digital skills. WiZink volunteers conducted training sessions in schools located in Madrid's less affluent areas. The program was developed with the support of the Junior Achievement Foundation, which has extensive experience in this type of program. A total of 65 WiZink volunteers (including the CEO and Executive Committee members) participated, and 880 students were trained. With this program, WiZink hopes to have increased students' interest in acquiring digital knowledge so that their future employment opportunities can be increased.

## WiZinkCenter Sponsorship

The sponsorship of the WiZink Center in Madrid continues to have a very significant impact on the promotion of sports and culture. The funding received by the facility from the company contributes to improving the venue's safety and conditioning so that a multitude of relevant cultural events can take place, indirectly contributing to job creation and the local economy.

In 2022, WiZink was the fifth busiest arena in the world and the second busiest in Europe, according to the "Top 200 World Arenas" ranking published at the end of each year by the international music magazine Pollstar, which compiles ticket sales data from all venues worldwide.

Additionally, for the second consecutive year, the WiZink Center has been nominated for "International Venue of The Year" at the 34th edition of the Pollstar Awards, which will be announced in February in Los Angeles. WiZinkCenter shares the nomination with O2, Wembley Stadium and Royal Albert Hall in London; the Movistar Arena in Colombia, the Ziggo Dome in Amsterdam, and the Scotiabank Arena in Canada.

A total of 182 events were held in 2022, of which 68 have been sporting events, standing out the Real Madrid and Estudiantes basketball teams, of which the WiZink Center is the official home venue.

Among the concerts, a total of 107, stand out for their success: Harry Styles, the double concerts of Rosalía or C. Tangana, the sold outs of Aitana, Dua Lipa, Backstreet Boys, The Cure, and the record that Maluma broke in 360° format, with a total of 17,400 spectators.

## 7.2. Subcontractors and suppliers

WiZink has a purchasing and supplier management policy in place called Supplier Selection and Management Policy, updated in October 2022. It establishes the guidelines for selecting and managing external suppliers, in order to guarantee that there are adequate controls for protect the assets, reputation and interests of WiZink and its customers.

For WiZink, the management of suppliers is especially important when any of its functions are outsourced, specially the company's critical functions, so the policy has been developed in line with the EBA Guidelines and Rule 43 of Circular 3/2022 of the Bank of Spain, with the following objectives:

- Optimisation of suppliers to maximise economic leverage and risk supervision capacity.
- Standardise supplier selection and management criteria.
- Document the requirements for the selection and management of suppliers.
- Have a standard and consistent contract that meets the applicable legal and regulatory requirements.
- Gather accurate and relevant supplier information that can be shared across the Group.



- Comply with the WiZink's Code of Conduct and applicable policies, as well as the legal and regulatory requirements applicable in all jurisdictions.
- Act in accordance with the socially responsible practices of the sector.

Effective supplier selection strategies and management of supplier-related risks are critical for WiZink to meet its operational objectives and mitigate key risks, including legal and compliance risk, operational risk, financial risk, strategic risk, technological risk and reputational risk. For this reason, in all cases a due diligence is carried out prior to hiring, and an annual review of critical suppliers is carried out. Additionally, the bank has successfully passed the Internal Audit Review on outsourcing essential business functions or services to external providers 2022.

Suppliers are divided into four categories according to the Company's risk exposure. Due diligence and supplier auditing processes are subject to their segmentation, so that the more critical the supplier, the more robust the control applied to it. The most critical suppliers are monitored to identify possible incidents, despite the fact that there are no suppliers with relevant risks related to the environment, society, or equality.

Each supplier has an assigned service owner who, as established by the policy, carries out the relationship with suppliers, including performance management and an annual risk assessment and review. These activities include daily dealings with vendors regarding support and service delivery. In 2022, 430 suppliers were evaluated.

Due to the activity of the company, its suppliers provide mainly auxiliary services for the development of financial activity such as advice or technological services. However, the standard framework contract model includes a clause which includes social and/or environmental criteria for general management of suppliers.

Lastly, WiZink contributes to the development of employability and local development by counting on local suppliers which represent 85%.

### 7.3. Customers

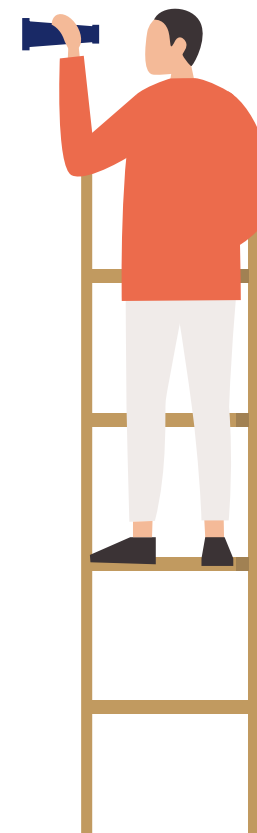
#### Complaints management

WiZink has a Customer Service & Complaints Service (hereinafter "SAC"), which is responsible for guaranteeing the protection of customers' rights by dealing with their dissatisfactions and complaints. This service is separate from the commercial and operational services, carrying out its function independently and on the basis of:

- The correct application of internal policies and procedures.
- Proper compliance with WiZink's contractual obligations with customers.
- Compliance with applicable regulations and good practices published by the Bank of Spain and the Bank of Portugal.

The channels available for customers to submit their complaints are as follows:

- Spain: customers can submit their complaints to WiZink by e-mail ([reclamaciones@wizink.es](mailto:reclamaciones@wizink.es)) or by post. Once a complaint has been made to WiZink, those customers who are not satisfied with the response or who have not received it can complain to the Bank of Spain or the Directorate General of Insurance and Pension Funds (DGS).
- Portugal: customers can submit complaints to WiZink by email ([reclamacoes@wizink.pt](mailto:reclamacoes@wizink.pt)) and post and to Bank of Portugal or Insurance and Pension Funds Supervisory Authority (ASF), i.e., there is no prior requirement to submit a complaint to the bank before complaining to the regulators.



The breakdown of complaints received is shown in the table below:

Key data	Country	
	Spain	Portugal
<b>Complaints received in 2022</b>	39,721	4,256
<b>Closed complaints favorable to the customer</b>	1,163	736
<b>Complaints closed unfavorable to the customer</b>	23,721	3,371
<b>Complaints pending resolution</b>	2,006	264
<b>Complaints not admitted for processing</b>	12,831	97

WiZink's SAC has specialised teams that manage the dissatisfactions and complaints by means of a systematised treatment of registration, analysis and control of the same, and classify them according to the different typologies. All of this allows us to identify the causes of customer dissatisfaction, the problems and, as a final result, the appropriate solutions for each case. At WiZink we use the information obtained through claims and complaints to improve our products and services offered and as an early warning system to identify potential risks.

Some of the complaints filed by customers result in legal claims. The nature and impact of these claims on the bank's financial position and results of operations are described in more detail in Note 22 and 42 to the Consolidated Financial Statements.

### Customer safety measures

#### [Help customers in managing their finances](#)

In the day-to-day of customers, WiZink keeps customers informed about their products, usage and expenses through clear and accessible contractual terms and conditions, always up-to-date information on digital channels and by sending customers a detailed monthly statement, and alerts so customers can monitor their level of spending and identify fraudulent use.

In addition, customers are offered the option of adapting their products and services to their needs, choosing and flexibly changing their payment method, selecting their preferred service channels, being informed at all times of the costs associated with the financing of their purchases.

WiZink tries to ensure the security of its customers through various mechanisms related to money management and online behaviour and offers a comprehensive financial education program - "Uncomplicated Finances", recognizing that customers have different information needs, when it comes



to understanding and managing their products and services. This program provides a wide range of information, offered in a clear and intuitive manner, guaranteeing transparency and promoting the use of products and services in a realistic and responsible manner. It explains topics such as the use of the card, basic financial concepts such as the differentiation between a loan and a card, optionality and how to use the payment flexibility, how to pay the debt, the available payment channels and more, and is offered to customers through of a specific Blog, on a public website, on social networks and through other informative communications sent to customers.

In 2022 Wizink has continued offering an effective response to the growing phenomenon of Cybercrime, ensuring that customer's data is protected in the best possible way against these forms of fraud.

Among the measures implemented and reinforced by WiZink to help customers protect themselves against cyber fraud are the SMS alerts for operations over €80, investment in fraud prevention and detection solutions, with the aim of reinforcing and hardening the bank's fraud risk mitigation rules, and fraud prevention education for customers, who periodically receive notices on various platforms, whether by email, on the website or through the WiZink App, and social networks, warning them not to provide personal data to third parties, safeguarding their protection and the protection of their credentials.

In 2022, WiZink has launched a new line of private label insurance products, both in the Spanish and Portuguese markets, after signing a collaboration agreement with iptiQ, the B2B2C digital insurer of the Swiss Re group. With this new offer, WiZink makes available to its customers realistic personalized products, suited to customer needs, offering a wide range of coverage and benefits at a very competitive price and free for the first month. Customers can contract their insurance by phone, and soon through digital channels on the WiZink web and App.

#### Fraud Prevention

For the Company, one of the main risks for the security of its customers is fraud. For this reason, WiZink has a robust fraud prevention system. If unusual movements are detected with the WiZink credit card, the bank contacts the customer to confirm these transactions and quickly block the card to prevent possible fraud. In addition, the holder will not be responsible for the financial consequences resulting from the use of a lost, stolen, or counterfeit card, provided that there is no negligent behaviour and that the client has made the corresponding report of card theft.

Cyber-threats have become more frequent and sophisticated during the Covid-19 pandemic, due to society's greater exposure to digital, making fraud the most present problem. Online purchases by WiZink cardholder customers have reinforced security thanks to the implementation of the Double Customer Authentication system, or SCA (Strong Customer Authentication), which more robustly identifies the person who performs an online payment transaction and therefore, it reduces the possibilities of fraud.

#### Free Insurance

All customers for the mere fact of being WiZink card holders have free accident insurance, travel assistance and purchase protection in Spain and Portugal. In addition, in Portugal where we have stands in shopping centres, we guarantee customer protection in the event of an accident with civil liability insurance.

The summary and coverage of the free WiZink card insurance can be consulted on WiZink's public websites at: [www.wizink.es/segurostarjetas](http://www.wizink.es/segurostarjetas) and [www.wizink.pt/public/vantagens-wizink/seguros](http://www.wizink.pt/public/vantagens-wizink/seguros).



## Mobile Payments

In Spain WiZink makes available to its card customers, wallets for mobile payment:

- WiZink Pay integrated into the WiZink App with NFC technology.
- Samsung Pay and Apple Pay: allow you to register the WiZink card in these applications.
- Google Pay: Since September 2021, payments can be made through this platform, compatible with all WiZink cards.

In Portugal, customers can associate their WiZink cards to MBWay, the MULTIBANCO solution that allows you to make purchases online and in physical stores, generate virtual cards, send, request money, and withdraw money at ATMs, through their smartphones.

For payments through Contactless technology, in the national territory and in other EEA countries, the maximum amount per payment transaction without a PIN is €50 and the overall value of successive contactless transactions is €150. Outside of the EEA, small amount contactless transactions are limited to the maximum number of 2 successive transactions per 24-hour period, with the maximum amount per transaction depending on the country in question.

## 7.4. Tax information

Consolidated Group information:

Profit before tax (thousands of euros)	España	Portugal	Total
WIZINK GROUP	[69.676]	32.707	[36.969]
<b>TOTAL</b>	<b>[69.676]</b>	<b>32.707</b>	<b>[36.969]</b>

Tax expense (thousands of euros)	España	Portugal	Total
WIZINK GROUP	[46.308]	[12.767]	[59.075]
<b>TOTAL</b>	<b>[46.308]</b>	<b>[12.767]</b>	<b>[59.075]</b>

In 2022 WiZink has not received any Government grant.



# 8. Respect for human rights



## 8. Respect for human rights

Although there is no specific human rights policy at the bank, WiZink Code of Conduct includes protection of these universal rights in the rules of conduct. This Code is complemented by the organization's values and ethical principles, the good corporate governance, and professional ethics of its employees. Additionally, as a sign of relevance of ethics in WiZink, the company considers human rights in the corporate risk map.

WiZink has a zero-tolerance regarding harassment, discrimination, or any violation of human rights. To this end, the Company provides employees with an internal whistleblowing channel through which professionals can report any situation that is contrary to the ethical principles of the bank or the Code of Conduct and guarantees complete confidentiality and anonymity of the whistle-blower if requested.

During 2022, there were no relevant incidents in terms of discrimination, harassment, human rights, or corruption. Three complaints have been received through the Whistleblowing Channel. One of them, not anonymous, was about discrimination, which after being evaluated and investigated was closed without risk or necessary actions. And two of an anonymous nature: one due to a potential conflict of interest, which was also evaluated and investigated, closing with recommendations; and the other on hostile climate and workplace harassment, on the latter, after being evaluated and investigated, it was closed, communicating the conclusion to Human Resources in order to adopt recommendations and follow up on them.



# 9. Environmental matters



## 9. Environmental matters

WiZink's commitment to the environment is reflected in the design of its offices, where sustainability is a reference value. The buildings in Madrid, Zaragoza and Lisbon have highly efficient energy facilities.

Proof of this is the installation of a BMS (Business Management System) at the Zaragoza facilities that controls and automates the mechanical, electrical and technological elements of the building, such as: air conditioning, lighting, consumption motorization (electricity, gas and water ). The existing UPS (Uninterruptable Power Supply) has also been changed, installing two 300 kW units expandable up to 500 kW, which allow the flow of electrical energy, through batteries, when the electrical supply fails, with an autonomy of 12 minutes to 100%. UPSs also provide protection against power surges.

As a consequence of the installation of the UPS, there has been a reduction in energy consumption of around 15%, and energy control installations have also been developed, both in the garage of the building and in its basement.

In addition, WiZink has a preventive maintenance plan for all facilities, as well as an annual property budget (2022 Plan) for each building.

Regarding company vehicles, all the new contracted vehicles have been Hybrid, ECO or 0 emission, with a 50% reduction in CO<sub>2</sub>gr/Km.

In addition WiZink, in its commitment to the environment, manages all its trips through a travel agency that has a CO<sub>2</sub> compensation project that consists of reforesting 150 hectares, planting Scots pines in burned plots in Guadalajara, through of

drones that allow these actions are carried out in areas that are difficult to access for human forces.

In line with the Company's strategy, work is also being done to promote environmental awareness through daily actions such as the dissemination by Human Resources of internal information and ideas to improve daily behaviour with the environment that surrounds us.

The Code of Conduct also defines the guidelines that employees must follow, within the scope of their competencies, to reduce or avoid as far as possible any environmental impact caused by their activity.

WiZink has carried out a materiality analysis of the risks derived from climate change and environmental deterioration, evaluating its impact on the material risks for the entity (Credit, Liquidity and Operational) concluding that, due to the digital activity and the nature of the business of WiZink, these risks are not material for the entity and therefore it is not considered necessary to adopt specific measures in relation to this. For this reason, WiZink does not have a specific environmental policy.

### 9.1. Sustainable use of resources

The main consumption made by WiZink is that of electricity generated from the operation of its offices, where a sustainable use is guaranteed through:

- The closing of the doors and the lights off as of 7:00 p.m. on weekdays and during holidays and weekends.
- The installation of light and climate sensors.
- Planning of follow-up and improvement actions for all buildings.



The total electricity consumption of WiZink in 2022 was 2.639.858 kWh, 8,5% less than in 2021.<sup>7</sup>

WiZink does not consume electricity with a guarantee of a renewable origin. According to the information provided by the electricity provider regarding its energy mix, the electricity consumed in WiZink's buildings would have been generated by the following technologies:

- Ulises and Zaragoza: 25.57% in Renewable Energy, Natural Gas 24.78% and nuclear energy 31%. Cogeneration is the procedure by which electrical and thermal energy is simultaneously obtained, this gives greater energy efficiency, with high efficiency being 3% and cogeneration 10%.
- Colombo: The sources of energy consumed are generated as follows: Natural Gas 58%, Fossil Cogeneration 3.5% and Hydro 10% (these values are average values).
- Aplazame and Lendrock: 44% in Renewable Energy, high efficiency cogeneration 4% and cogeneration 7.3%, the largest sources of energy are generated through natural gas and nuclear around 18% and 22% respectively.

	2022	Measure
<b>Energy consumption<sup>8</sup></b>		
<b>Direct (Electric Power)</b>	2,639,858	Kwh
<b>Emissions</b>		
<b>Scope 1 TnCo<sub>2</sub> (Gas, Gasoline, Diesel)</b>	49	TnCo <sub>2</sub>
<b>Scope 2 TnCo<sub>2</sub> (Electric Power) Spain</b>	409	TnCo <sub>2</sub>
<b>Scope 2 TnCo<sub>2</sub> (Electric Power) Portugal</b>	6.93	TnCo <sub>2</sub>

As WiZink is a company with a presence in Portugal and Spain, in 2022, due to Covid-19, fewer business trips continue to been made, since WiZink has tools such as TEAMS, through which it encourages videoconference meetings.

<b>TRAVEL</b>	
<b>Employee travel (km)</b>	272,267
<b>Emissions (ton. CO<sub>2</sub>)</b>	62.02

WiZink's activity does not affect emissions related to noise or light pollution, or any other form of atmospheric pollution.

#### Other resources consumed:

WiZink promotes the reduction of other resources consumed such as water and paper. To minimise water consumption, WiZink has installed water flow regulators on taps in its offices.



<sup>7</sup> Estimated electricity consumption for the months of November and December at the WiZink headquarters in Ulises [67,600Kwh].

<sup>8</sup> Estimated electricity consumption for the months of November and December at the WiZink headquarters in Ulises [67,600Kwh].

The reduction percentage compared to 2021 is practically the same, the differentiating data is the increase in staff at the facilities by around 40% higher. Regarding paper consumption, it is 50% lower.

	2022
Water consumption (m³)	6.940
Paper consumption (kg.)	2.454

Furthermore, the responsible use of paper is part of WiZink's working method. In order to reduce paper consumption, WiZink has a mobile printing software for all office IT (Information Technology) equipment, allowing printing using a card and so reducing unnecessary paper usage.

Thanks to all the efficiency measures described and as a sign of its commitment to the environment, WiZink has set itself three goals to reduce its ecological footprint by 2025<sup>9</sup>:

- 35% reduction in CO2 emissions [scope 1 and 2]
- 20% reduction in electricity consumption
- 30% reduction in paper consumption

The level of compliance with these commitments is monitored annually. Due to the significant reduction in consumption in 2022, the evolution of the three indicators is fully aligned with the fulfilment of the set objectives.

## 9.2. Circular economy

During 2022, WiZink has granted €12.9M in eco loans (€12M in Spain and €0.9M in Portugal), a product intended to finance projects to improve energy efficiency (eg installation of solar panels). Additionally, to boost the growth of this loan, in 2022 WiZink has closed collaboration agreements with 3 solar panel installation companies to offer financing to its clients. As a sign of WiZink's commitment to the environment, the eco loan is offered at a more attractive interest rate than other types of loans. WiZink also takes into account environmental factors in credit cards, its main product today, since all new cards in Spain and Portugal are made with recycled plastic.

Our plastic card provider complies with Royal Decree 110/2015 on waste electrical and electronic equipment known as WEEE [WEEE], and is registered in the Comprehensive Industrial Registry with reference 6893, within the special section for EEE producers [RII -AEE], where it updates the data on a quarterly basis.

Additionally, we include the manufacturer's name on all cards and to provide information to our customers that helps to avoid further harmful effects on the environment, the following is indicated in the card's shipping letter:



Para evitar los efectos nocivos en el medioambiente y la salud debidos a la presencia de sustancias dañinas en los AEE (artículos eléctricos y electrónicos), por favor no tires tu tarjeta caducada al contenedor de basura común y deposítala separadamente para su reciclaje, de acuerdo al RD 110/2015. Información sobre el fabricante del plástico en [www.idemia.com](http://www.idemia.com).

Translation: To avoid harmful effects on the environment and health due to the presence of harmful substances in EEE (electrical and electronic items), please do not throw your expired card in the garbage container and deposit it separately for recycling, according to RD110 / 2015. Information on the plastic manufacturer at [www.idemia.com](http://www.idemia.com)

In relation to prevention measures, recycling and reuse, WiZink has placed recycling points for packaging, glass and organic and paper waste on all floors. In addition, in reception, and in other places around the office, there are units for recycling batteries, various office consumable items, light bulbs and cardboard.

Also, WiZink performs internal communications and recommendations through the Intranet on general care for the environment, and promotes day-to-day actions to reduce consumption of water and electricity, etc.

Furthermore, the Lisbon office has removed single use plastics and replaced this material with paper. Moreover, all employees in Lisbon have a reusable bottle and the plastic bottles have been removed in the meeting rooms in Spain and Portugal. In 2022, the Madrid and Lisbon offices sent 12,6 tonnes of paper and cardboard respectively to be recycled through an authorized waste manager.

<sup>9</sup> Reduction targets based on the year 2019



1	2	3	4	5	6	7	8	9	10	11
Introduction	Materiality study and ESG strategy	Business model	Risk Management	Fighting corruption and bribery	Social and employee-related issues	Commitment to society	Respect for human rights	Environmental matters	EU Taxonomy	Appendix
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____



# 10. UE Taxonomy





## 10. UE Taxonomy

Article 8 of the taxonomy regulation [Regulation (EU) 2020/852 of the European Parliament and of the Council, of June 18, 2020], requires entities to disclose the manner and extent to which their activities are associated with economic activities classified as environmentally sustainable.

In compliance with this obligation, the following indicators are described:

	Indicators	% 2022	% 2021
I1	Proportion in taxonomy-aligned economic activities as a proportion of total assets excluding exposures to central administrations, central banks and supranational issuers	0.60%	0.03%
I2	Exposure to central governments, central banks and supranational issuers as a proportion of total assets	21.51%	27.33%
I3	Exposure in derivatives as a proportion of total assets	0.58%	0.02%
I4	Proportion of exposures to EU financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets	0.07%	0.07%
I5	Proportion of the Company's trading portfolio and on demand inter-bank loans on the total assets	0.00%	0.00%

There has not been a significant variation between 2021 and 2022.

In 2022, WiZink reviewed its ESG strategy taking into account the nature of the entity to focus on those aspects in which it is possible to generate a greater impact.

WiZink considers that all ESG elements are relevant, although as a consumer finance entity that works to boost people's financial possibilities, WiZink considers that it can provide distinctive value in social aspects.

Details of WiZink's ESG strategy can be found under the section [2.2 ESG Strategy \(Environmental, Social & Governance\)](#) in this document. Likewise, the objectives of the Company and relationship with customers can be found within the section [3.3 Objectives and strategy](#).

The indicators are considered as follows:

### I1) Proportion of the Company's asset financing and investments in taxonomy-aligned economic activities as a proportion of total assets

WiZink's financing portfolio has the following types of personal loans that would be integrated under the activities categorized as aligned to the Taxonomy: Eco loans (renewable energy financing) and Reforma loans (housing rehabilitation financing).

Regarding the investment portfolio, the entire fixed income corresponds to public debt (Spanish and Portuguese Public Treasury) and public administrations (Comunidad de Madrid and Xunta de Galicia), which are not eligible activities, while variable income is concentrated in 6 portfolios, which, after

being analysed individually, they do not correspond to aligned activities or they are Company subsidiaries.

#### **I2) Exposure to central governments, central banks and supranational issuers as a proportion of total assets.**

Cash and cash balances in central banks and other overnight deposits, both in Spain and Portugal, have been taken into consideration. Likewise, investment in bonds whose issuer is sovereign or supranational has been included.

#### **I3) Exposure in derivatives as a proportion of total assets.**

WiZink's exposure to derivative operations is determined by the need to hedge investments that are linked to the current investment policy [Liquid Asset Buffer (LAB) Standard] that establishes minimum investment criteria. The maximum investment term is 5 years, with a high credit quality [with a weighting of less than 50% in terms of risk-weighted assets], eligible for the European Central Bank and highly liquid [according to the highly liquid asset criteria- HQLA].

Investments, especially long-term ones, can generate greater exposure to interest rate risk and therefore, on some occasions and to comply with the current Risk Appetite at all times, WiZink can carry out hedging with derivative instruments to maintain the risk interest rate of the investment portfolio at appropriate levels

#### **I4) Proportion of exposures to EU financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets.**

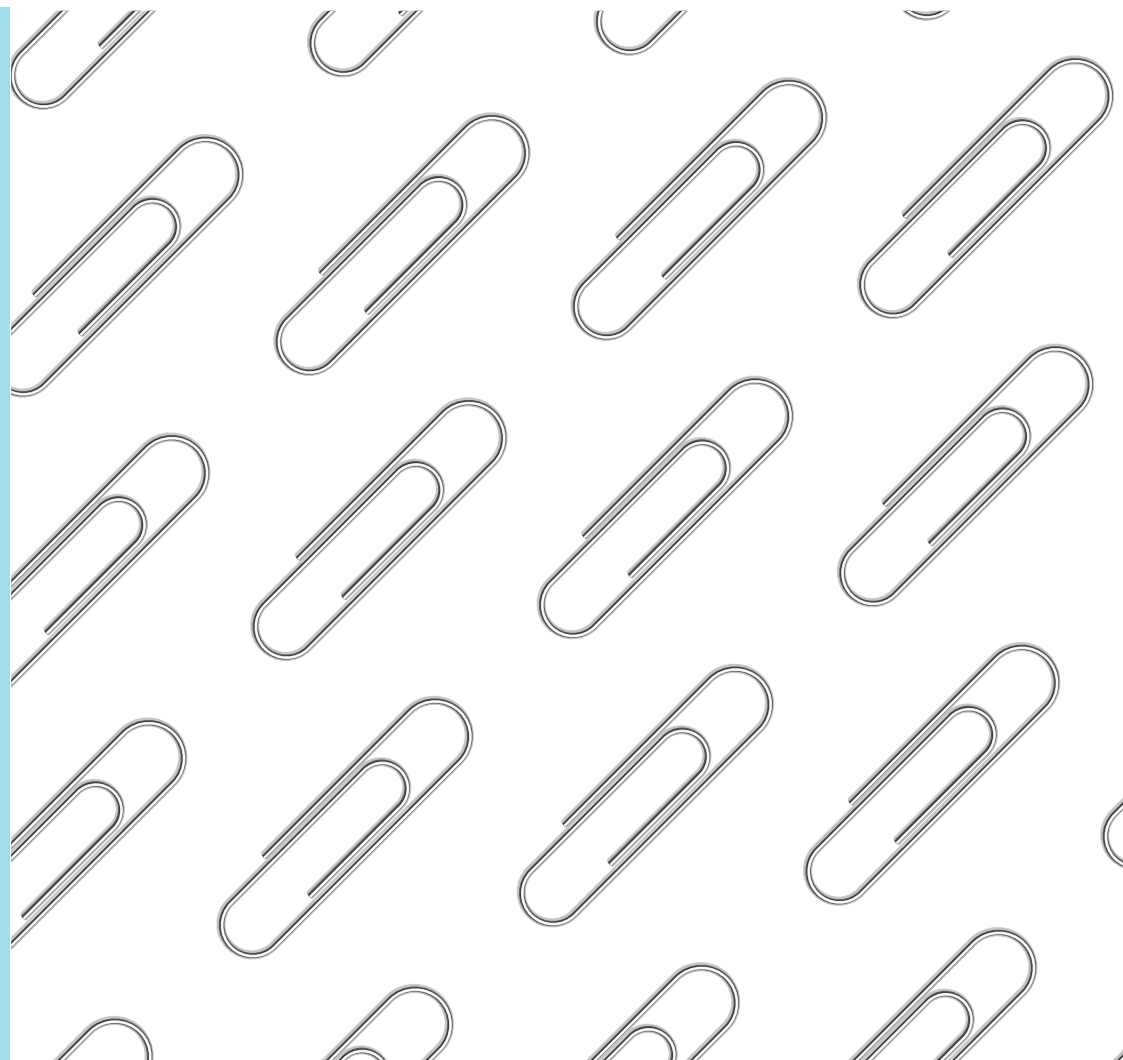
The entire financing portfolio is made up of individuals. WiZink does not provide financing to companies.

As regards the investment portfolio, as it was indicated for the I1, all of the fixed income corresponds to public debt [Spanish and Portuguese Public Treasury] and public administrations [Comunidad de Madrid and Xunta de Galicia], which are not taken into account for the calculation of this indicator. On the other hand, equities are concentrated in 6 portfolios, which have been analyzed individually.

#### **I5) Proportion of the Company's trading portfolio and on demand inter-bank loans in the total assets**

WiZink currently does not have a trading portfolio, nor does it carry out interbank loan operations, therefore, this indicator would not apply.

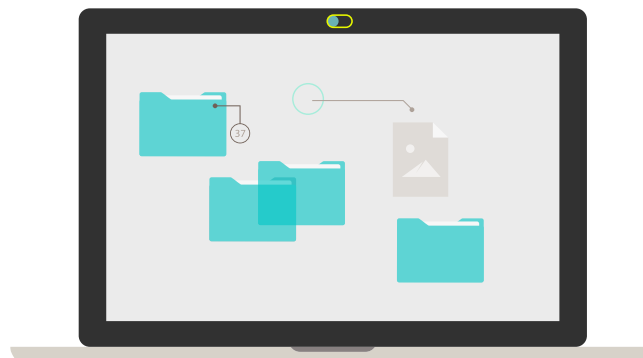
# 11. Appendix



## 11. Appendix: Table linking the requirements of Law 11/2018 and GRI indicators

As required by Spanish Non-Financial Information and Diversity Law 11/2018, of 28 December, the key indicators of non-financial results that are relevant to WiZink’s business activity, and that meet the criteria of comparability, materiality, relevance and reliability, are included in this report. It also includes accurate, comparable and verifiable information.

Also, key non-financial indicators have been applied, such as the Global Reporting Initiative (GRI) standards, the list of which is shown in the table below.



## Content of Law 11/2018 on non-financial information

Information required by Law 11/2018 on non-financial information	Materiality	Page of the report where information is given	Reporting criteria: GRI selected [last version]
<b>GENERAL INFORMATION</b>			
A brief description of the business model including its business environment, organization and structure	Material	11-17	GRI 2-6 [2021]
Markets in which it operates	Material	12	GRI 2-1 [2021] GRI 2-6 [2021]
Objectives and strategies of the organization	Material	18-19	GRI 2-1 [2021] GRI 2-22 [2021]
Main factors and trends that may affect its future evolution	Material	20-24	GRI 3-3 [2021] GRI 2-22 [2021]
Reporting framework	Material	4	GRI 1 [2021]
Materiality principle	Material	6	GRI 3-1 [2021] GRI 3-2 [2021]
<b>ENVIRONMENTAL MATTERS</b>			
<b>Management approach:</b> description and results of the policies related to these issues as well as the main risks related to them linked to the group's activities	Material	<b>69</b>	GRI 3-3 [2021]
<b>Detailed general information</b>			
Detailed information on the current and foreseeable effects of the company's activities on the environment and, where appropriate, on health and safety	Material	69-71	GRI 3-3 [2021]
Environmental assessment or certification procedures	Non-material for the company		GRI 3-3 [2021]
Resources dedicated to the prevention of environmental risks	Non-material for the company		GRI 3-3 [2021]
Application of the precautionary principle	Non-material for the company		GRI 2-23 [2021]
Amount of provisions and guarantees for environmental risks	Non-material for the company		GRI 3-3 [2021]

Information required by Law 11/2018 on non-financial information	Materiality	Page of the report where information is given	Reporting criteria: GRI selected (last version)
<b>Pollution</b>			
Measures to prevent, reduce or repair emissions that impact the environment severely, taking into account any form of activity-specific air pollution, including noise and light pollution	Non-material for the company		GRI 3-3 [2021]
<b>Circular economy and waste prevention and management</b>			
Prevention measures, recycling, reuse, other forms of recovery and disposal of waste	Material	71	GRI 306-1 GRI 306-2
Actions to combat food waste	Non-material for the company		GRI 3-3 [2021]
<b>Sustainable use of resources</b>			
Water consumption and water supply according to local limitations	Material	71	GRI 303-5
Consumption of raw materials and measures adopted to improve the efficiency of their use	Material	71	GRI 301-1
Energy consumption, direct and indirect	Material	70	GRI 302-1
Measures taken to improve energy efficiency	Material	69-71	GRI 3-3 [2021]
Use of renewable energy	Material	70	GRI 302-1

Information required by Law 11/2018 on non-financial information	Materiality	Page of the report where information is given	Reporting criteria: GRI selected (last version)
Climate change			
Greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces	Material	70	GRI 305-1 GRI 305-2
Measures taken to adapt to the consequences of climate change	Material	69-71	GRI 3-3 [2021]
Reduction goals established voluntarily in the medium and long term to reduce greenhouse gas emissions and the means implemented for this purpose	Material	71	GRI 3-3 [2021] GRI 305-5
Protection of biodiversity			
Measures taken to preserve or restore biodiversity	Non-material for the company		GRI 3-3 [2021]
Impacts caused by activities or operations in protected areas	Non-material for the company		GRI 3-3 [2021]
EU Taxonomy			
European taxonomy indicators regarding eligibility	Material	72-74	N/A
INFORMATION ON SOCIAL AND PERSONNEL-RELATED MATTERS			
<b>Management approach:</b> description and results of the policies related to these issues as well as the main risks related to them linked to the group's activities	Material	42-58	GRI 3-3 [2021]

Information required by Law 11/2018 on non-financial information	Materiality	Page of the report where information is given	Reporting criteria: GRI selected (last version)
<b>Employment</b>			
Total number of employees by gender, age, country and professional category.	Material	43	GRI 405-1 regarding employees by category, gender and age
Total number and distribution of employment contract types and annual average of permanent contracts, temporary contracts and part-time contracts by sex, age and professional classification	Material	44	GRI 2-7 [2021] regarding employees by labor contract and type, by sex
Number of terminations by gender, age and professional category.	Material	47	GRI 3-3 [2021]
Average remuneration and its evolution broken down by sex, age and professional classification or equal value	Material	48	GRI 3-3 [2021]
Salary gap, the remuneration of equal or average jobs in the company	Material	48	GRI 3-3 [2021]
Average remuneration of directors and managers, including variable remuneration, diems expenses, indemnities, payment to long-term savings pension systems and any other perception disaggregated by gender	Material	48	GRI 3-3 [2021]
Implementation of labour disconnection policies	Material	50	GRI 3-3 [2021]
Number of employees with disabilities	Material	58	GRI 3-3 [2021]
<b>Work organization</b>			
Organization of working time	Material	49-50	GRI 3-3 [2021]
Mechanisms and procedures that the company has to promote the involvement of workers in the management of the company, in terms of information, consultation and participation	Material	49-50	GRI 3-3 [2021]
Number of hours of absenteeism	Material	55	GRI 3-3 [2021]
Measures aimed at facilitating work/life balance and promoting the jointly responsibility by both parents	Material	49-53	GRI 3-3 [2021]



Information required by Law 11/2018 on non-financial information	Materiality	Page of the report where information is given	Reporting criteria: GRI selected (last version)
<b>Health and safety</b>			
Health and safety conditions at work	Material	50-55	GRI 3-3 (2021)
Work accidents, in particular their frequency and severity, as well as occupational diseases; disaggregated by sex	Material	54-55	GRI 403-9 in regards to number and rate of accidents GRI 403-10 in regards to cases of occupational illnesses and diseases
<b>Social relationships</b>			
Organization of social dialogue including procedures for informing, consulting and negotiating with staff	Material	56-57	GRI 3-3 (2021)
Mechanisms and procedures that the company has to promote the involvement of workers in the management of the company, in terms of information, consultation and participation	Material	56-57	GRI 3-3 (2021)
Percentage of employees covered by collective agreement by country	Material	56-57	GRI 2-30 (2021)
Balance of collective agreements, particularly in the field of health and safety at work	Material	56-57	GRI 3-3 (2021)
<b>Training</b>			
Training policies	Material	57	GRI 404-2
Total number of training hours by professional category	Material	57	GRI 3-3 (2021) GRI 404-1 in terms of total training hours by professional category
<b>Universal accessibility</b>			
Universal accessibility for people with disabilities.	Material	58	GRI 3-3 (2021)

Information required by Law 11/2018 on non-financial information	Materiality	Page of the report where information is given	Reporting criteria: GRI selected [last version]
<b>Equality</b>			
Measures adopted to promote equal treatment and opportunities between women and men	Material	58	GRI 3-3 [2021]
Equality plans, measures adopted to promote employment, protocols against sexual and gender-based harassment	Material	58	GRI 3-3 [2021]
Policy against all types of discrimination and, where appropriate, diversity management	Material	58	GRI 3-3 [2021]
<b>RESPECT FOR HUMAN RIGHTS</b>			
<b>Management approach:</b> description and results of the policies related to these issues as well as the main risks related to them linked to the group's activities	Material	67	GRI 3-3 [2021]
<b>Application of due diligence procedures</b>			
Application of due diligence procedures in the field of human rights and prevention of risks of violation of human rights and, where appropriate, measures to mitigate, manage and repair possible abuses committed	Material	67	GRI 2-23 [2021] GRI 2-26 [2021]
Complaints for cases of violation of human rights	Material	67	GRI 3-3 [2021] GRI 406-1 [2016]
Measures implemented to promote and comply with the provisions of the fundamental ILO conventions related to respect for freedom of association and the right to collective bargaining; the elimination of discrimination in employment and occupation; the elimination of forced or compulsory labour; the effective abolition of child labour	Material	67	GRI 3-3 [2021]
<b>FIGHT AGAINST CORRUPTION AND BRIBERY</b>			
<b>Management approach:</b> description and results of the policies related to these issues as well as the main risks related to them linked to the group's activities	Material	37-41	GRI 3-3 [2021]
Measures taken to prevent corruption and bribery	Material	37-41	GRI 3-3 [2021] GRI 2-23 [2021] GRI 2-26 [2021]
Measures to combat money laundering	Material	38-39	GRI 3-3 [2021] GRI 2-23 [2021] GRI 2-26 [2021]
Contributions to foundations and non-profit entities	Material	37	GRI 2-28 [2021]

Information required by Law 11/2018 on non-financial information	Materiality	Page of the report where information is given	Reporting criteria: GRI selected [last version]
<b>INFORMATION ABOUT THE COMPANY</b>			
<b>Management approach:</b> description and results of the policies related to these issues as well as the main risks related to them linked to the group's activities	Material	60-65	GRI 3-3 [2021]
<b>Company commitments to sustainable development</b>			
Impact of the company's activity on employment and local development	Material	60-62	GRI 3-3 [2021]
Impact of the company's activity on local populations and the territory	Material	60-62	GRI 3-3 [2021]
Relations maintained with local communities and dialogue with them	Material	60-61	GRI 2-29 [2021]
Association or sponsorship actions	Material	60-61	GRI 3-3 [2021]
<b>Subcontracting and suppliers</b>			
Inclusion in the supplier policy of social, gender equality and environmental issues	Material	61-62	GRI 3-3 [2021]
Consideration of suppliers and subcontractors social and environmental responsibility	Material	61-62	GRI 2-6 [2021]
Supervision and audit results	Material	61-62	GRI 2-6 [2021]
<b>Consumers</b>			
Measures for the health and safety of consumers	Material	63-65	GRI 3-3 [2021]
Complaint systems, complaints received and their resolution	Material	62-63	GRI 3-3 [2021] GRI 418-1

Information required by Law 11/2018 on non-financial information	Materiality	Page of the report where information is given	Reporting criteria: GRI selected (last version)
Tax information			
Benefits obtained country by country	Material	65	GRI 3-3 [2021]
Taxes on profits paid	Material	65	GRI 3-3 [2021]
Government grants received	Material	65	GRI 201-4 in regards to grants

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