



**WiZink Bank, S.A**

Independent Verification Report  
31 December 2019



***This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.***

## Independent verification report

To the shareholders of WiZink Bank, S.A.

Pursuant to Article 49 of the Code of Commerce, we have verified, under a limited assurance scope, the accompanying State of non-financial information ("NFIS") for the year ended 31 December 2019 of WiZink Bank, S.A. and subsidiaries (hereinafter "WiZink ") which forms part of WiZink's consolidated management report.

The content of the consolidated management report includes additional information to that required by the current mercantile legislation related to non-financial information reporting which has not been covered by our verification work. In this respect, our work has been restricted solely to verifying the information identified in Annex I: "Non-financial information report"

### Responsibility of the Board of Directors

The preparation of the NFIS included in WiZink's consolidated management report and the content thereof are the responsibility of the Board of Directors of WiZink Bank, S.A. The NFIS has been drawn up in accordance with the provisions of current mercantile legislation and with the Sustainability Reporting Standards of the Global Reporting Initiative ("GRI Standards") in line with the details provided for each matter in the tables: Annex I: "Table specifying the requirements as per Law 11/2018 and GRI indicators".

This responsibility also includes the design, implementation and maintenance of the internal control considered necessary to allow the NFIS to be free of any immaterial misstatement due to fraud or error.

The directors of WiZink, S.A. are also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the NFIS is obtained.

### Our independence and quality control

We have complied with the independence requirements and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants ("IESBA") which is based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies the International Standard on Quality Control 1 (ISQC 1) and therefore has in place a global quality control system, which includes documented policies and procedures related to compliance with ethical requirements, professional standards and applicable legal and regulatory provisions.



The engagement team has been formed by professionals specialising in non-financial information reviews and specifically in information on economic, social and environmental performance.

#### Our responsibility

Our responsibility is to express our conclusions in an independent limited verification report based on the work carried out in relation solely to fiscal year 2019. The data relating to previous years were not subject to current mercantile legislation. Our work has been carried out in accordance with the requirements laid down in the current International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and with the Guidelines for verification engagements on non-financial statements issued by the Spanish Institute of Auditors ("Instituto de Censores Jurados de Cuentas de España").

In a limited assurance engagement, the procedures performed vary in terms of their nature and timing of execution, and are less extensive than those carried out in a reasonable assurance engagement. Accordingly, the assurance obtained is substantially lower.

Our work has consisted of posing questions to Management and several WiZink units that were involved in the preparation of the NFIS, in the review of the processes for compiling and validating the information presented in the NFIS, and in the application of certain analytical procedures and review sampling tests, as described below:

- Meetings with WiZink personnel to ascertain the business model, policies and management approaches applied, the main risks related to these matters and to obtain the information required for the external review.
- Analysis of the scope, relevance and integrity of the contents included in the NFIS for 2019, based on the materiality analysis carried by WiZink, considering the content required under current mercantile legislation.
- Analysis of the procedures used to compile and validate the information presented in NFIS for 2019.
- Review of information concerning risks, policies and management approaches applied in relation to material issues presented in the NFIS for 2019.
- Verification, through sample testing, of the information relating to the content of the NFIS for 2019 and its adequate compilation using data supplied by the WiZink 's sources of information.
- Obtainment of a management representation letter from the Directors and Management.



## Conclusions

Based on the procedures performed and the evidence we have obtained, no matters have come to light that might lead us to believe that WiZink 's NFIS, for the year ended 31 December 2019 has not been prepared, in all its significant aspects, in accordance with the provisions of current mercantile legislation and the Sustainability Reporting Standards of the Global Reporting Initiative ("GRI Standards") in accordance with the details provided for each matter in tables: Annex I: "Table specifying the requirements as per Law 11/2018 and GRI indicators"

## Use and distribution

This report has been drawn up in response to the requirement laid down in current Spanish mercantile legislation and therefore might not be suitable for other purposes or jurisdictions.

PricewaterhouseCoopers Auditores, S.L.

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3 April 2020

WiZink Bank, S.A.U.

**Non-Financial Information Statement  
for the year ended  
31 December 2019**

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

This document refers to the business activities of WIZINK BANK, S.A.U. and companies composing the Group ("WiZink" or "the Company"). Global Reporting Initiative's (GRI) sustainability reporting guidelines (GRI Standards) were used as the reporting standard for the preparation of this non-financial information statement, following the principles and content defined by the most recent version, the GRI Standards.

The Company has also taken into account the industry context and regulations, as well as the main demands of its stakeholders, industry trends and best practices in order to determine which non-financial matters are relevant to WiZink.

As a result, taking into consideration the Company's business model, the following were identified as the main relevant matters:

- Solvency
- Good corporate governance
- Management of risk and compliance
- Transparency
- Digitisation
- Customer satisfaction and solutions adapted to our customers' needs

In response to the aforementioned material matters, the main non-financial areas of performance in relation to issues concerning the environment, social matters, employee- and human rights-related issues, and the fight against corruption and bribery are described below.



## 1. Business model

WiZink is the on-line bank specialising in credit cards and simple savings solutions that meet the day-to-day needs of more than two million customers in Spain and Portugal. Furthermore, through agreements with strategic partners, WiZink offers co-branded credit cards adapted to its partners' needs and a multiple variety of insurance of nationally relevant entities. At the end of 2019 WiZink Group had a workforce of 1,369 professionals, 0.7% more than 2018.

In line with the Company's intention to explore new opportunities for business development, in 2018 WiZink acquired 100% of the Spanish instant online credit start-up Aplazame.

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 Värde Partners (Aneto S.à.r.l.).

WiZink's corporate policy is based on two core values: integrity and transparency. Both values serve as an inspiration and guide not only for the executive team, but for everyone across the organization. WiZink's corporate governance structure was approved by WiZink's Board of Directors in November 2017.

### Board of Directors

WiZink's highest governance body is the Board of Directors (the "Board"), which composition and role are based on strict compliance with the provisions established in Article 29.5 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.

The WiZink 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. Part of the Board of Directors' formal governance structure is delegated to committees, such as the Audit Committee, the Risk Committee and the Nomination and Remuneration Committee, all of which are chaired by independent directors.

In addition, to supplement the Board's supervisory duties, an Executive Committee, chaired by the CEO, is in charge of the Company's day-to-day management. 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.

Board members	Position	Type of director	Committee(s)
José Luis del Valle Doblado	Chairman	Independent	-
Elena Lieskovska	Deputy chairwoman	Non executive	-
Miguel Ángel Rodríguez Sola	CEO	Executive	-
Krzysztof Drozd	Director	Non executive	NRC
Geeta Gopalan	Director	Independent	RC, NRC, AC
Peter Ronald Herbert	Director	Independent	RC, NRC, AC
Joaquim Josep Saurina Maspocho	Director	Independent	RC, AC
Blanca Rivilla Calle	Non-director secretary	-	-

In 2019 WiZink increased the number of members of the Board of Directors, with four independent directors, taking another step in the professionalization and independence of the administrative bodies. Mr. Miguel Ángel Rodríguez Sola became the new CEO of WiZink on September 19, and Mr. Joaquim Saurina, in addition to joining the Board, assumed the chairmanship of the Audit Committee.

WiZink implements 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 Nomination 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.

#### 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 three members of the Board of Directors who do not discharge executive functions at the bank. The RC is chaired by an independent director.

##### **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee (NRC) 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 NRC is currently composed of three members of the Board of Directors who do not discharge executive functions at the bank. The NRC 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 the 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 three members of the Board of Directors who do not discharge executive functions at the bank. The AC is chaired by an independent director.

## Management level committees

### Executive Committee

The Executive Committee (ExCo) is responsible for 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

The 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 in order to ensure the resilience of the structure of balances to shocks in structural risks.

### Enterprise Risk Management Committee

The role of the Enterprise Risk Management Committee (ERMC) is to provide the appropriate surveillance and management of all types of risk within the Company in order to guarantee compliance with the RAF. The ERMC controls risk appetite-associated breaches and submits recommendations to the ExCo and the RC on risk management matters.

### Credit Risk Committee

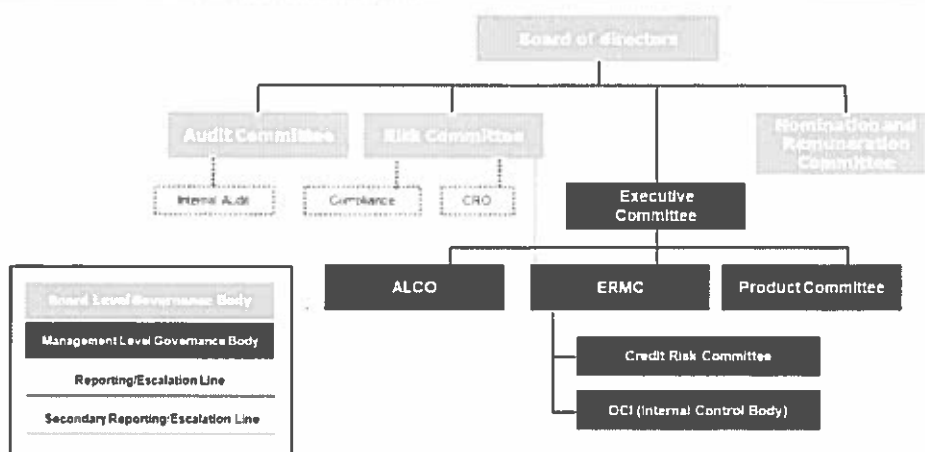
It is responsible for reviewing the credit risk, ensuring that it is within the established limits and reporting the Cost of Credit data compared to the Budget and risk appetite, analysing possible deviations.

### Internal Control Body

The Internal Control Body (ICB) oversees and manages the financial crime risk and the anti-money laundering policy.

### Product Committee

The Product Committee 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.





## Corporate structure

Company	Shareholding		Activity	Business line
	Shareholder/Partner	%		
WiZink Bank, S.A.U.	Aneto, S.à.r.l.	100.00%	Loans and credits, including consumer loans and financing of commercial transactions.	Banking services
Iberalbion, A.I.E.	WiZink Bank, S.A.U.	95.00%	Entity specialized in providing call centre services and other supporting services to the WiZink group.	Commercial services
	Aplázame, S.L.U.	5.00%		
WiZink Gestión, A.I.E.	WiZink Bank, S.A.U.	95.00%	Entity specialized in collections.	Debt and asset recovery services.
	Aplázame, S.L.U.	5.00%		
Aplázame, S.L.U.	WiZink Bank, S.A.U.	100.00%	Fintech that provides instant consumer loans. The company's core combines an instalment payment method integrated at the e-commerce checkout with marketing tools enabling the use of financing as promotional lever to boost merchant sales.	Financial technology
WiZink Bank, S.A. - Sucursal en Portugal	WiZink Bank, S.A.U.	100.00%	Loans to retailers through the marketing of credit cards.	Banking services
WiZink Master Trust Securitization Fund	N/A: this is a wholly in-house securitisation (the Group retains all the risks and rewards associated with ownership)		The securitisation fund in the form of a trust was designed for the purpose of acquiring credit card receivables from WiZink.	Financial technology

## Objectives and strategy

WiZink's roadmap consists of consolidating the bank's leadership in credit cards, while exploring new opportunities for growth in order to become a digital financial solutions platform.

WiZink aims to be a bank with a greater presence in people's day-to-day experience and to help them manage their money better. To achieve this goal, WiZink has identified three key pillars for the success of its forward looking strategy:

- Placing the customer at the centre of the decisions and understand their needs better.
- Continuing to develop the bank's digital capabilities, with the aim of improving the customer experience.
- Customisation as a key aspect of the business, leveraging available customer information.

On the basis of these pillars, WiZink will strengthen its value proposition through transparency and focusing on the customer in 2020. WiZink's aim is to attract new customer segments with an offering that responds to their personal needs and to create an outstanding customer experience from the point of sale and throughout their lifecycle.

## Business environment, trends and regulation

### Consumer finance market / revolving credit

It is estimated that the consumer finance market in Spain reached a balance of €95BN at the end of 2019, growing at an annual rate of 10% from its 2014 lows (€57.9BN). However, the market is still below the levels before the financial crisis (€103BN in 2007). In addition, all consumer segments

have grown at a rate of more than 5% since 2014, with credit card financing being the segment with the highest growth (14% in that period).

In Portugal, the consumer finance market has grown at an annual rate of 3% since 2014, reaching a balance of €24BN in September 2019. At the segment level, growth has mainly occurred in auto loans (16%), while financing via credit cards continues to grow at an annual rate of 5%.

In recent years, there has been a significant increase in competition in the sector due to the search for more profitable sources of financing by banks to compensate the environment of low interest rates and development of key capabilities - in terms of risks and digitization - to offer this financing formula to your customer base.

Deposits represent 37% of the financial assets of Spanish households and have been losing share compared to other classes of high-yield assets. The deposit market has grown at a slower pace, and stands at 786,000 million euros, with an increase in the share of savings accounts. This is due to the convergence of the rates of both long-term deposits and savings accounts, despite market pressures and rising inflation.

In terms of payments, consumer behaviour is changing rapidly to more digital, comfortable and innovative methods, such as contactless and mobile solutions, as well as proposals for instant financing.

The entry of new digital agents has energized the market, forcing traditional entities to offer more flexible and consumer-centered solutions. According to a report by the Boston Consulting Group, the percentage of purely digital clients continues to increase in Spain and Portugal (32% and 37% respectively), still below countries such as the United Kingdom (50%) or Germany (58%), so that a significant growth in the levels of digitalization of the banking clientele in Iberia is expected.

Solutions such as instant payments, P2P credits and instant loans will end up being hygienic products in the industry, forcing entities such as Wizink to continue developing capabilities to offer the best service to their customers.

The main opportunity offered by this trend is to grow the base of existing and potential clients of deferred financing, whose penetration levels are below those existing in other geographies such as the United Kingdom. Likewise, the progressive development of digital and risk capacities will facilitate the adoption of these financing formulas.

#### Market regulation

With the aim of increasing consumer protection, in recent years there have been significant changes in the regulatory framework that affect the way financial institutions operate:

- **PSD2 (Directive on digital payment services).** Regulates the payment services industry and promotes competition and financial innovation. Implemented in 2018, it represents an opportunity to develop innovative payment methods and to take advantage of customer information through new technological developments, allowing to increase customization in the value proposition.
- **GDPR (European Data Protection Regulation).** Updates the EU data protection directives, extending their application to foreign companies in the field and matching their regulation in all member states, thereby guaranteeing customers more power and control over their data and the use of same.
- **Other regulatory changes,** such as local fees for exchanges of payments and the increase in capital requirements imposed by the Basel IV reforms. In 2010, the Bank of Portugal began to regulate the interest rate of credit products, setting quarterly the maximum APR limit. In Spain, apart from the prohibition of charging a "disproportionate" APR in consumer credit, the law does not regulate or set the interest rate limit.

## 2. Main risks and policies

WiZink's aim is to be the most flexible, appropriate and easy payment solution in the market. To this end, the bank assumes a given level of risk as an inherent part of its operations and its business model, as well as serving its sectors, mainly the credit card and savings account markets.

Efficiently managing and controlling these risks is one of the main keys for the bank and all its stakeholders. It is for this reason that the various risks inherent to WiZink's banking activity are handled with caution, permanently upholding the bank's basic aims of solvency, return, efficiency and efficient liquidity.

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

WiZink's risk management strategy is to ensure that it identifies, measures, monitors and controls all significant risks, with the appropriate human resources, tools and information systems to ensure the maintenance of a prudent and consistent risk profile, with the established risk appetite and tight control of conduct and reputational risks.

The risk policy defines the strict professional criteria established by the bank to analyse, evaluate, assume and oversee the risks in order to improve the risk/return ratio for credit risk exposure. At the same time it aims to minimise all other risks (operational, liquidity, interest rate, market, business, conduct and reputational risks, inter alia).

Following is a summary of the actions taken by WiZink to mitigate its main risks:

Type of risk	Mitigation actions
<b>Credit risk</b> The risk of the Company suffering losses as a result of the inability of the counterparty to meet its obligations.	The loan acceptance policies and the extensive use of scoring models to predict risk behaviours have enabled to construct a good risk profile. In order to monitor, take decisions on and mitigate credit risk, several metrics are used to monitor credit performance and changes in the customer profiles (from loan arrangement to the extinguishment of the customer relationship) and contractual cash flows. A collections policy has been developed to bring the customers in delinquency to compliance by offering them various payment options.
<b>Operational risk</b> The risk of suffering losses due to external events or insufficient internal processes, people and systems.	The operational risk management strategy consists of identifying the events that give rise to operational losses and controlling them in order to minimise their possible adverse effect. To that end, improvements in operational processes and reinforcement of operational controls have been implemented. The aim is to reduce fraud and ordinary operational losses and to achieve an adequate level of recovery of operational losses related to fraud.
<b>Model risk</b> The risk associated with the development, use and misuse of models involved in our decision-making process.	Model risk management relies to a considerable extent on scoring models (scores deriving from behaviour and the applications) and IFRS 9. Therefore no validation delay or failure is tolerated.
<b>Product concentration risk</b> The risk that the Company will suffer losses as a result of the risk of concentration on a particular product.	The business model is based on granting loans 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.
<b>Interest rate risk</b> The Company's exposure to changes in market interest rates due to different repricing schedules of interest bearing financial	Within the finance structure, the Treasury Department is in charge of managing interest rate risk. The ALCO oversees and grants final approval of management activity risks, and oversees the legal and regulatory restrictions on the business and the various legal vehicles. The interest rate risk management strategy serves to minimise the impact of adverse changes in interest rates on the statement of profit or loss and on computable own funds. The main purpose of such

assets and financial liabilities.	management is to optimise the net interest margin and to obtain results that are stable and sustainable over time.
<b>Business risk</b> This risk stems from the elements of the business plan that could threaten the viability and sustainability of the Company's business model.	WiZink endeavours to determine promising business objectives in the business plan and to accomplish such objectives through normal day-to-day operations.
<b>Solvency risk</b> This risk relates to the ability to meet long-term obligations. It ensures that the banks operate with sufficient and adequate capital resources to be able to assume the risks arising from their financial activity and to support the business under both normal and adverse economic conditions.	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 aims to exceed minimum regulatory requirements (Pillar 1 and Pillar 2). This provides resources in the event of stricter regulatory requirements, providing the financial flexibility necessary to continue the business.
<b>Profitability risk</b> This is the risk related to the Company's ability to obtain benefits from limited resources.	The goal is to achieve sustainable strong results, maintaining high profitability and efficiency in the long-term.
<b>Liquidity risk</b> This is the risk that the Company will be unable to meet its financial obligations due to insufficient liquidity.	WiZink's objective is to maintain a liquidity and financial structure that allows it to meet its liquidity obligations under both normal and adverse market conditions. The bank aims to maintain stable and diversified funding to ensure that it can rebuild liquidity levels quickly under extreme scenarios without jeopardising the business.
<b>Information and communication technology (ICT) risk</b> 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.	WiZink understands that technology-based systems are in continuous evolution, mainly due to regulatory, commercial and customer needs. They are thus exposed to incidents and vulnerabilities that should be considered an inherent part of our business. In addition, the technological applications outsourced add additional risks that have to be considered. The bank has the object that the IT investment is consistent with its business strategy and/or regulatory requirements; avoid IT operational failures that could materially impact its ability to serve its customers or cause adverse financial impact; very low tolerance for data, information and IT security weaknesses that could lead to customer dissatisfaction, reputational damage or regulatory sanctions; manage failures in IT projects, which reduce established tolerances concerning scope, cost, time and quality. WiZink has controls in place to detect system incidents and vulnerabilities and to classify them by impact and priority so that they can be contained and properly addressed using remediation processes.
<b>Conduct risk</b> 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.	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 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. The aim 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.
<b>Reputational risk</b> 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	WiZink's aim is to obtain and maintain the confidence and loyalty of all our shareholders in order to be competitive in the market. To that end, the reputational risk management plan is tailored to the bank's overall business strategy and long-term objectives.

activities that might jeopardise its reputation.	
<p><b>Legal and regulatory risk</b> This is the risk of being punished, fined or forced to pay corrective penalties 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 bank does not have the legal capacity to operate.</p>	<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>
<p><b>Financial crime risk</b> This is the facilitation of money laundering, terrorist financing, breaches of economic and financial sanctions and bribery and corruption. WiZink is subjected to the legal requirements of the EU and Spain. The Portuguese branch implements 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 clients, customers, counterparties or employees. 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), diminished market performance and reputational damage.</p>	<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 our processes to ensure compliance with applicable laws and regulations. Occasionally some compliance tasks are outsourced or delegated to third parties or other group entities. WiZink takes into account that the involvement of other entities in the Company'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>

## Risk management

Once the bank had identified its risks and has evaluated them on the basis of their materiality and the effectiveness of the control environment, tools to enable these risks to be mitigated were designed and implemented. This design combines a quantitative and qualitative approach in order to evaluate the key effects of the risk identified in an exhaustive manner, for example:

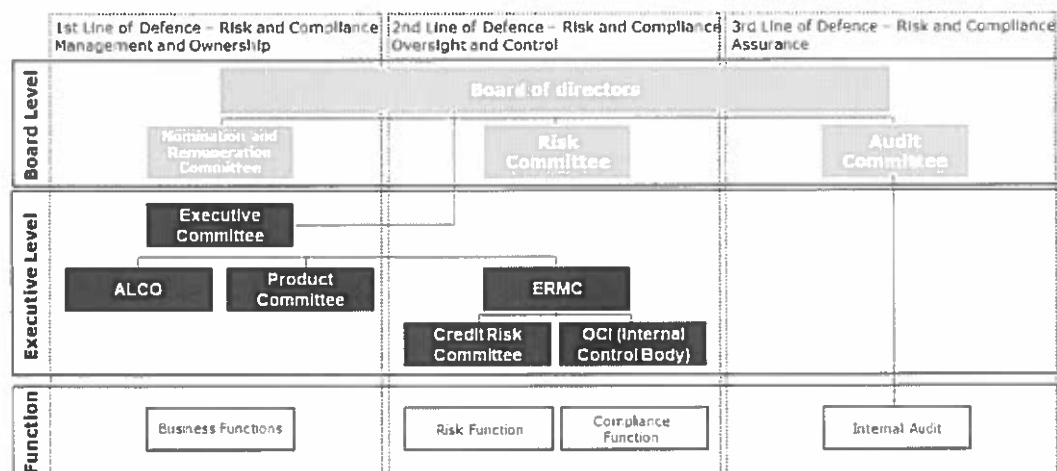
- Risk appetite metrics: these consist of the definition of the highest and desired risk levels that are approved by the Board of Directors in order to achieve WiZink's business objectives. For each type of risk, a quantitative objective, a warning and a limit have been defined, together with an escalation process should they not be complied with.
- Other risk measurement metrics (scorecard): Additional risk indicators are designed to complement the risk appetite with a warning and a limit for each type of risk.
- Manager's Control Assessment (MCA) Programme: this is owned by the enterprise, and coordinated and reviewed annually by the Operational Risk function in the second line of defence, and consists of a diagnostic tool that helps the first line of defence to self-assess the effectiveness of its control environment on a continuous basis.
- Quality assurance: the operational effectiveness and sustainability of the MCA Programme is evaluated regularly by the Operational Risk function. It determines the extent to which the design and application of the MCA Programme at bank level are effective at detecting significant risks, emerging risks and control weaknesses, problems identified by the internal or external audit and/or by the regulators, as well as operating events and losses.
- Monitoring of operational risk events: these events might have a financial impact (e.g. an economic impact on the statement of profit or loss) or a non-financial impact (e.g. a detrimental effect of WiZink's reputation). The Operational Risk function monitors operating risk and supervises corrective action plans on a continuous basis.

In 2019 the Operational Risk function implemented a new annual risk and control assessment (RCA) process, whereby each unit must identify its most important risks and assess the effectiveness of its controls, in terms of both of their design and operational capacity. The aim is to measure the extent to which the bank's significant risks are mitigated, and to establish mitigation and/or acceptance strategies and actions where appropriate.

## Risk management governance

WiZink follows a risk management and control model based on three lines of defence 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. The model provides clarity on the key risk and compliance roles and responsibilities and is a core component of the risk management policy.

In addition to the three lines of defence, 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".



The **first line of defence** consists of the business units and support areas that, as part of their activity, incur the Company's risk exposure. These units, as owners of their risks, are responsible for managing, monitoring and properly reporting the risk generated, which must be adjusted to the risk appetite and the approved risk limits, and for determining and implementing the control framework required to mitigate them.

The **second line of defence** consists of the risk control and compliance areas, which are responsible for the development of the risk management framework and the risk policies, ensuring their effective implementation throughout the organisation in accordance with the defined risk appetite level. The second line of defence supervises the effectiveness of the controls executed by the first line of defence.

Internal audit, as the **third line of defence** and the last level of control, periodically assesses the adequacy of the policies, methods and procedures and checks their effective implementation.

#### Risk management framework

Risk and compliance are managed at executive level to determine the overall objectives and business strategy, and at an operational level for the execution of day-to-day business activities.

The Board of Directors approves a risk appetite framework (RAF) on an annual basis. The RAF includes the general approach -including policies, processes, controls and systems- through which risk is identified, measured, communicated, monitored and controlled. It includes the internal communication model of the risk appetite and risk limits and a summary of the roles and responsibilities of the individuals who supervise the implementation and monitoring of this framework. The RAF contains the most significant risks to which the Company is exposed, in particular the risks identified as material by the Company's material risk identification process.

In addition, the Board also approves an annual Risk Appetite Statement (RAS), which describes the level of risk WiZink is willing to accept in order to achieve its business objectives. The RAS is the link between the overall business strategy and the risk management framework and includes the primary and complementary metrics used to monitor adherence to risk appetite as well as the associated quantitative levels for each metric.

The Board has also implemented corporate risk policies that describe the minimum activities, controls and tools that must be used by the Group companies. It is management's responsibility to ensure that personnel are informed of the strategies and policies relevant to them and that they are compliant with them, and to hold the required training and information sessions.

Risk management responsibilities are divided among the Board, the Risk Committee, the Audit Committee, the Executive Committee, the Asset-Liability Committee, the Institutional Risk Management Committee, the Product Committee and the Internal Control Body for the Prevention of Money Laundering.

### 3. 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. Also, in 2019 the Code of Conduct, the policy relating to the detection and prevention of criminal risk and the internal whistleblowing channel were updated in order to fully adapt them to WiZink's structure and organisation and to the legislative developments. Furthermore, in 2019 the Conflicts of Interest Policy and the Gifts and Invitations Policy were approved in order to strengthen the bank's commitment to ethics and transparency.

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, the 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, in particular 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.

#### 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 series of measures to limit customer risk such as collecting more information depending on the origin of the funds and the background of the customer's transaction:

- The types of new products are limited to deposits, savings accounts and credit cards, which are mostly classified as low risk in terms of 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 duly assigned 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 set up 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 2019 various online and classroom-based courses were given as part of the annual training plan for the prevention of money laundering and terrorist financing, the highlight being classroom training for members of the Internal Control Body (ICB) and members of the Executive Committee provided by KPMG.

#### Code of conduct and internal whistleblowing channel

In 2019 the Code of Conduct were updated, strengthening, among other changes, the section on specific rules to avoid corrupt practices, in view of WiZink's zero tolerance policy on this matter.

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**; all employees, within their scope of competences, are obliged to comply with any legal requirements and internal procedures established by WiZink at any time to reduce or avoid, as far as possible, any impact caused on the environment by their activities.

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

Also, in 2019 the internal whistleblowing policy was updated, the most noteworthy of the changes being the introduction of the possibility of making anonymous complaints.

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. 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 whistleblower. 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.

The cases reported by WiZink employees (including directors and senior management) through the internal whistleblowing channel are included in a report prepared every year. In 2019, only two cases were reported and handled. No relevant incidents relating to discrimination, harassment, human rights or corruption were registered.

Other policies in support of the Code of Conduct:

In 2019 a **Conflicts of Interest Policy** was prepared in implementation 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, a **Gifts and Invitations Policy** was approved, also in implementation of the clauses in this connection in 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, in order to minimise 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.



#### 4. Social and employee-related issues

WiZink's employees are a key component of the Company's strategy. Therefore the bank aims to ensure that all employees are committed to WiZink's principles, which are based on transparency, integrity, respect and honesty, collaboration, personal fulfilment and commitment. Likewise, through several internal control policies and bodies, high standards of compliance with current legislation that apply in each labour field (equality, diversity, conciliation, prevention of occupational hazards, etc.) are guaranteed.

##### 4.1 Employment

At 31 December 2019, WiZink had 1,369 professionals, increasing in 10 employees compared to 2018. Of these, 890 women (65%) and 479 men (35%), increasing by 1.8% women in the workforce and reducing 1.2% men. In addition, WiZink provides 89% of permanent contracts, 6% more than in the previous year, and 80% of the workforce were aged between 30 and 50 years old. The main quantitative data relating to the WiZink workforce are as follows:

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

Country	Employees	Age group			Professional category					
		<30	30-50	>50	Managers and senior executives		Employees in other categories		Clerical staff	
					W	M	W	M	W	M
Spain	1,275	113	1,002	160	15	28	297	194	519	222
Portugal	94	-	92	2	3	-	55	35	1	-
<b>TOTAL</b>	<b>1,369</b>	<b>113</b>	<b>1,094</b>	<b>162</b>	<b>18</b>	<b>28</b>	<b>352</b>	<b>229</b>	<b>520</b>	<b>222</b>

##### Total number and distribution of employment contracts by type

Gender	Age group	Permanent contracts		Temporary contracts	
		Full-time	Part-time	Full-time	Part-time
Women	Under 30 years old	18	17	3	26
	30-50 years old	501	151	3	66
	Over 50 years old	68	26	2	9
Men	Under 30 years old	19	13	1	16
	30-50 years old	314	35	6	18
	Over 50 years old	48	7	-	2
<b>TOTAL</b>		<b>968</b>	<b>249</b>	<b>15</b>	<b>137</b>

##### Annual average and distribution of employment contracts by type

Gender	Permanent contracts		Temporary contracts	
	Full-time	Part-time	Full-time	Part-time
Women	537	101	49	174
Men	353	24	23	64

Age group	Permanent contracts		Temporary contracts	
	Full-time	Part-time	Full-time	Part-time
Under 30 years old	27	5	11	53
30-50 years old	754	94	52	169
Over 50 years old	110	26	9	16

Professional category	Permanent contracts		Temporary contracts	
	Full-time	Part-time	Full-time	Part-time
Managers and senior executives	37	-	-	-
Employees in other categories	558	5	4	1
Clerical staff	295	120	68	237

#### Number of dismissals

In 2019 186 dismissals took place at WiZink compared to the 18 layoffs in 2018 due to the employment regulation plan have become effective in this exercise. The breakdown of dismissals by gender, age and professional category is as follows:

Gender	Age group	Professional category		
		Managers and senior executives	Employees in other categories	Clerical staff
Women	Under 30 years old	-	-	-
	30-50 years old	-	47	46
	Over 50 years old	3	11	15
Men	Under 30 years old	-	-	5
	30-50 years old	1	24	18
	Over 50 years old	1	11	4
<b>TOTAL</b>		<b>5</b>	<b>93</b>	<b>88</b>

#### 4.2 Remuneration

On 23 October 2019, WiZink's Board of Directors approved the bank's remuneration policy, which includes the corporate salary criteria. In WiZink, the salary compensation is adjusted to the market and the provisions of the collective agreement that is applicable in each legal entity are respected in any case, thus exceeding in all cases the minimum inter-professional salary. Average remuneration by gender, age and professional category are as follows:

Professional category	Age group	Women	Men	Gender pay gap
Managers and senior executives	Under 30 years old	-	99,764	-
	30-50 years old	184,958	170,906	8.22%
	Over 50 years old	151,580	172,225	-11.99%
Employees in other categories	Under 30 years old	45,304	45,446	-0.31%
	30-50 years old	47,180	54,257	-13.04%
	Over 50 years old	59,544	61,630	-3.38%
Clerical staff	Under 30 years old	15,472	20,622	-24.97%
	30-50 years old	18,038	21,402	-15.72%
	Over 50 years old	17,547	23,425	-25.09%
<b>TOTAL</b>		<b>33,118</b>	<b>45,867</b>	<b>-27.80%</b>

Includes annual base salary and bonuses corresponding to 2018 that were paid in 2019.

The gender gap has increased by two percentage points compared to 2018

With regard to the average remuneration of directors and executives, on 30 October 2019 the Entity's annual general meeting approved the remuneration policy for members of the Board of Directors. It must be noted that the members of the Board of Directors do not receive remuneration for services provided, except for the directors considered to be independent and executive directors.

The independent directors are entitled to fixed remuneration established on an annual basis at the annual general meeting and to the reimbursement of 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 director performs his/her functions for less than twelve months of the year.

Information on the average remuneration of the directors and executives can be found in section 7.  
- Remuneration of the directors and senior executives according to the consolidated financial statements as at 31 December 2019.

#### 4.3 Organisation of work

To facilitate the work-life balance and provide employees with greater flexibility, WiZink has implemented a flexible working programme that furnishes the employees with the systems and resources necessary to perform their tasks individually and guarantee the bank's environment and working methods. These tools also enable the employees themselves to manage their working hours, connect to their e-mails and participate in meetings remotely:

- Laptop and Company mobile phone which enable them to access their e-mails remotely.
- Skype for Business is installed on the laptops and can be used for sending and receiving messages, making one-to-one and group calls and video calls and organising/participating in meetings.
- Office 365 Cloud, which enables files, folders and SharePoint to be accessed, anytime, anywhere.

The main benefits of the flexible working programme are that it offers employees mobility to work in non-conventional spaces and flexibility to work at different times. Flexible working hours is a solution designed to give employees the opportunity to work before or after the working day, and reduced working hours enable employees to work fewer hours than those established, with a corresponding proportional reduction in salary.

With regard to rest periods, the Company recommends that employees rest during weekends, annual leave and outside of working hours.

##### Measures aimed at facilitating the work-life balance

At WiZink various initiatives have been implemented, which are regulated by certain collective agreements and internal policies and which aim to facilitate the work-life balance and promote the fact that both mothers and fathers have mechanisms available to enable them to share the responsibility linked to parenthood.

The documents par excellence in this connection are the "**Acuerdo 100% Igualdad**" (100% Equal Agreement), applicable to employees originally from Citi, and "Embárcate" (Get on Board), for employees originally from Barclays, as well as the "**Plan Concilia**" (Reconciliation Plan), for the small group of employees originally from the Banco Popular Group. The "Embárcate" document includes an increase in maternity leave of one additional week; an increase in breastfeeding time in cases of multiple births beyond what is provided for by law; and preferential transfers in cases of vacancy coverage for employees with children under 10 years of age who request it for legal guardianship reasons, among others. "Acuerdo 100% Igualdad" offers employees the option of accumulating all breastfeeding hours, resulting three weeks leave, or substituting the permitted hour for breastfeeding every day for not working every Friday until the child reaches nine months of age, and the delivery of nursery vouchers to employees who have children between four months and three years of age.

Also, the bank has other **measures implemented generally** such as the Employee Support Programme, which offers a free, customised information and advisory service for employees which aims mainly to balance such employees' personal and professional lives, and educational assistance (in the latter case, except for the former Barclays employees) for employees with school-age children. All of the foregoing is without prejudice to other benefits set out in the applicable collective agreements, such as access to employee pension plans or the possibility of receiving loans from WiZink.

Lastly, the Company carries out the "**Programa de Trabajo Flexible**" (Flexible Working Programme), which is equally applicable to the employees of WiZink Bank, WiZink Gestión and WiZink Mediador, and is an innovative proposal that offers employees mobility to work in non-conventional spaces and with flexible hours. Thus, employees are able to achieve satisfactorily both their personal and professional goals without relinquishing opportunities at the Company. This programme improves efficiency, balance and the work-life balance.

#### 4.4 Health and safety

WiZink is committed to improving its employees' working conditions, health and well-being and that of all the company's associates. Therefore, the bank's long-standing and fundamental objective is to continuously improve its health and safety policy. In 2019 the Company obtained the PREVER award for its implementation, promotion and dissemination of occupational health and safety and for the occupational risk prevention measures implemented.

Also, the bank has rolled out various initiatives with the following three objectives:

- Involve employees and make them aware of the importance of preventing the specific risks of each campaign.
- Encourage healthy lifestyles and promote the proposed health measures.
- Prevent absenteeism caused by cardiovascular diseases.

One of the main campaigns rolled out in Spain in 2019 was the eye health campaign in conjunction with Clínica Aver and Óptica Roma. Also, the Company launched a cardiovascular risk prevention week to make employees aware of the main risk factors associated with smoking, increased cholesterol, high blood pressure, obesity and being sedentary. Awareness and learning initiatives were also carried out during the European Week for Safety and Health at Work, with courses on relaxation techniques and early detection of breast cancer, among others, being offered. Lastly, flu vaccination and blood donation campaigns have also been carried out.

##### Health and safety campaigns

###### Cardiovascular risk prevention week

WiZink participates in this campaign every year. In 2019 the main topic of the campaign was to increase awareness of the people's ability to influence the main risk factors present in most cardiovascular diseases. During this week in March, WiZink organised a schedule of activities to promote awareness and health at work within the Company, with various activities in which more than 70 employees participated, such as the "TUPPER SALUDABLE" (HEALTHY PACKED LUNCH) cooking course with educational sessions on nutrition, laughter therapy, psycho-emotional well-being and cardiovascular health, among others, and physical activities such as zumba, general toning and posture control.

###### European week for safety and health at work

In October, WiZink participated in this campaign to raise awareness, in a fun environment, of the creation of healthy habits and, in so doing, boost employees' health while endeavouring to have a direct impact on reducing absentee rates. During this week, WiZink organised a schedule of various activities in which 60 employees participated: posture re-education, educational sessions on resilience, cardiovascular risk, mindfulness and breast and skin self-examinations.

Also, WiZink offers various services to ensure the health of its employees at work. For example, in Spain the bank has a medical assistance service, four semi-automated external defibrillators at its offices and a physiotherapy service. A free Valora Prevención healthcare card is also available for employees to access advice from healthcare specialists. Additionally, there are benefits for pregnant women, such as a special parking space available from the 20<sup>th</sup> week of pregnancy. Moreover, employees have access to bowls of seasonal fruit located on all floors and a catering service with a daily healthy menu option. Lastly, WiZink encourages the use of bicycles and offers a parking area at its offices and changing rooms for those who exercise on their way to the workplace.

In 2016 the bank adhered to the Luxembourg Declaration and, therefore, included the basic principles for promoting and managing occupational health.

The breakdown of occupational accidents<sup>1</sup> and the indices thereof, by gender, is as follows:

<sup>1</sup> Aplázame S.L.U. is excluded from the calculation.

	Women	Men	TOTAL
Total no. accidents	2	0	2
Frequency rate	-	-	0,96
Severity rate	-	-	0,05
Occupational diseases	-	-	-

In 2018 there were 34 accidents, mostly *in itinere*, although the difference is due to the fact that in 2019 this type of accident was not taken into account. The hours of absenteeism in 2019 were 135,924, 11% less than 2018<sup>2</sup>.

#### 4.5 Labour relations

##### Dialogue, consultations and commitment with employees

WiZink is the result of the inclusion of employees from various companies with very different cultures, which has helped develop and strengthen a corporate culture with well-defined values, which has enabled employees to integrate easily into WiZink and has generated a feeling of involvement and commitment.

The Company has made considerable efforts to ensure that all its employees understand and accept this new corporate policy. To this end, several participation-based initiatives have been launched to promote dialogue, joint creation and global commitment.

Also, open dialogue with workers' representatives based on transparency and mutual trust is guaranteed. Formal and informal meetings are held regularly with the trade unions whenever requested by either party.

In all matters related to employees, WiZink acts with full responsibility and in compliance with all Spanish and international employment standards (European Union law and International Labour Organisation conventions signed by Spain and Portugal).

##### WiZink's internal communication

WiZink has an internal communication policy covering the values and principles underlying WiZink's internal communications, in order to disseminate a participative, open and transparent culture in the organisation. Also, the behaviour expected from employees, managers and senior executives is defined to ensure effective internal communication at WiZink.

As part of the culture modification project, and in line with WiZink's values, several dialogue and internal communication initiatives are under way, which are published on WiZink's intranet, the bank's main internal communication channel. There is one internal Company website for Spain and another for Portugal.

Additionally, WiZink carries out surveys to find out the opinion of all professionals of the bank and act thereon. The aim of these surveys is to gather suggestions, request opinions and assess initiatives.

##### Assessment of collective agreements

All employees in Spain and Portugal are covered by collective bargaining agreements. The Banking Collective Agreement, the Office Collective Agreement of the Autonomous Community of Madrid, the Collective Agreement for Credit Finance Establishments and the Contact Centre Collective Agreement are applied in Spain. In Portugal, all employees are covered by the Banking Agreement, except for one employee whose employment relationship is governed by General Law.

Specific occupational health and safety measures are included in the various collective agreements applicable at WiZink. In this regard, the Occupational Risk Prevention Department ensures compliance with the various provisions in this connection. With guidance from WiZink, this

<sup>2</sup> Aplázame S.L.U. is excluded from the calculation.



department also actively works to advocate health promotion activities (see section 4.4. Health and safety). In Spain there are workers' representatives on the health and safety committees.

#### 4.6 Training

WiZink has a knowledge management model based on regulatory training, on-boarding, leadership, specialised training, skills training and operational training. This plan covers 2019-2022 and seeks to generate an open knowledge environment, and provide cross training and digital tools for knowledge management.

One of the main pillars of the knowledge management model is leadership. WiZink offers professionals who have recently become managers an immersion course in leadership with the aim of training new managers in the concepts, techniques and tools for them to develop basic skills in this area. In addition, there are specific coaching and mentoring programmes for ExCos and top talent sessions.

In 2019 the following number of hours of training by professional category were given, increasing in 32% compared to the previous exercise<sup>3</sup>:

Professional category	Number of hours
Managers and senior executives	425.08
Employees in other categories	5,752.08
Clerical staff	20,852.67
<b>TOTAL</b>	<b>27,029.83</b>

#### 4.7 Universal accessibility

WiZink has 12 employees with disability<sup>4</sup>, three more than the previous exercise, on its staff and offers a fully accessible working environment that is free from discrimination. Also, the Company has entered into agreements with special employment centres and actively works with them to provide a number of services and products such as the preparation of Christmas hampers. The Company is currently in the process of acquiring the certificate of exemption to enable it to adopt alternative measures, which had been previously granted, and for which all the necessary documentation was filed and is now awaiting an administrative decision.

The three WiZink buildings have disabled access and have workstations adapted to people with disabilities. The specific needs of those with a disability are also considered and designated locker areas and parking spaces are made available to them. The bank also has a procedure through which, when an employee requires an adapted workstation, Occupational Risk Prevention confirms the need and specifies the necessary requirements (headrests, height adjustable desk etc.).

In 2017, WiZink participated in the first accessibility diagnosis of the Autonomous Community of Madrid, and was granted the aforementioned certification.

#### 4.8 Equality

WiZink is fully committed to equal treatment of and opportunities for men and women, encouraging and promoting policies that favour real gender equality, both in selection processes and at salary and executive level. Also, it is intended to continue with the current trend to promote and improve women's access and retention in employment, and increase their level of training and adaptability to the requirements of the labour market, with the aim of maintaining a balance between men and women in the organisation.

WiZink considers diversity to be one of the Company's core values, and as a means for creation of value. The bank therefore promotes diversity in all its teams. This encapsulates all dimensions such as age, nationality, experience and knowledge.

<sup>3</sup> Aplázame S.L.U. is excluded from the calculation.

<sup>4</sup> Aplázame S.L.U. is excluded from the calculation.

One of the most noteworthy aspects of the bank is the **balanced representation on its executive team**: half of the members of the Executive Committee are women. Also, the Company promotes **equality** and encourages equal pay between men and women. The salary differences that appear in the list of men and women's salaries are due to the diversity of categories and duties at WiZink, as 70% of the more operational functions (customer service department, recoveries and transactions), which have the lowest remuneration, are occupied by women.

At those entities in which it is a legal requirement, WiZink has **equality plans**, some of which will be updated in the near future. Similarly, Iberalbión completed the negotiation process of an equality plan with workers' representatives on 11 February 2019. There are, at all levels, various measures that promote flexibility and the work-life balance, with special attention to circumstances arising due to maternity or paternity leave.

In 2016, the Company implemented a **procedure against harassment** for all of its employees. This enables the adoption of necessary measures, as part of its responsibilities to guarantee a working environment free from harassment in psychosocial terms, where this type of conduct is not allowed or accepted. Also, on 11 February 2019, as part of the Equality Plan, a harassment protocol was implemented at Iberalbión. In 2019, no complaints relating to discrimination or harassment were received.

The objective is to establish a framework for alternative action at the Company, in addition to the whistleblowing channel for reporting irregularities in the Ethics Channel available to all employees who detect or are themselves 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 followed in a swift and efficient manner, to resolve, with the upmost confidentiality and discretion, all circumstances that may arise, through the adoption of appropriate measures.

#### Participation in external initiatives

In 2018 and 2019 WiZink participated in the ADIM project "Advancing in the Management of LGBT Diversity in the Public and Private Sectors", together with another 17 of the biggest companies in Spain and Portugal and eight universities. This initiative of the European Commission is led by the Spanish Institute of Women and Equal Opportunities, with its Portuguese equivalent "Comissão para a Cidadania e a Igualdade de Género" (The Commission for the Citizenry and Gender Equality), and the Complutense University of Madrid.

The objective was to create a working group to consider diversity and in particular, LGBT diversity in the workplace. This two-year project prepared a diagnostic document and diversity training, sharing best LGBT diversity practices among the organisations in both countries.

The intention was to become a reference point in the increase of information and the awareness of LGBT issues in the working environment, and on the management of diversity by key personnel in each guest organisation.

## 5. Commitment to society

### 5.1 Sustainable development commitments of the Company

In 2019, WiZink continued to deploy the so-called "The Value of the Everyday" corporate social responsibility strategy. This strategy, created collaboratively with the employees, highlights the commitment to what is close at hand, to everyday life and to paying attention to the small details that give rise to great stories. The purpose of the company is to facilitate people's lives and accompany them in their daily credit and savings needs, being a support that accompanies them in their changing needs. That is why the focus on CSR is going to be mostly linked to everyday life and the people nearby.

WiZink launched in 2019 its strategy supporting two projects of social investment focused on improving the life and integration of disadvantaged groups thanks to social innovative initiatives linked to the catering industry. They have been carried out thanks to the alliance with Asociación Crescer, an entity founded more than 18 years ago in Portugal that promotes the inclusion in the community of vulnerable groups; and Fundación A LA PAR, which works in Spain for the rights and full participation of people with intellectual disabilities in society.

Also of particular note is that both projects are conducted near the offices of Ulises Street (Madrid) and the Liberdade Avenue (Lisbon), and therefore are aligned with the commitment to the near, day to day and everyday gestures that change people's lives:

- **'The Rodilla de Arturo Soria' in Madrid.** The A la Par Foundation has opened a Rodilla restaurant franchise and it has become the first restaurant in Spain managed and staffed by employees with intellectual disabilities. WiZink supports this project by providing training to the people who work there.
- **'É um Restaurante', Lisbon.** WiZink is one of the entities that finance this Crescer Association project. The project relates to a restaurant which aims to offer training and create employment opportunities in the hospitality industry to homeless people or those who have lived on the street. Thanks to this project, those who work in the restaurant are able to improve their quality of life, gain an opportunity to enter the labour market and therefore facilitate their inclusion in society.

In addition to these two projects, WiZink is implementing several initiatives that seek to create a positive local impact.

- **Sale of corporate gifts.** Thanks to this initiative, the bank collects money that is distributed to local not-for-profit associations. In Madrid, EUR 3,392 were collected and were donated to the Talisman Association for its Sensory Garden project, which seeks to integrate people with disabilities into the workplace. In Lisbon, EUR 540 were collected and sent to the *É uma casa / Lisboa Housing First* Project, chosen by the employees. The mission of this Crescer Association-managed project is to eradicate situations of chronic homelessness in the city Lisbon, through the inclusion of the target group in society.
- **Collection of boxes of sweets.** At Christmas, WiZink employees in Madrid supported the Pan y Peces Foundation by collecting boxes of sweets that were distributed among more than 800 families supported by the Foundation.
- **Charity sale.** The *Rodilla a la Par* restaurant team sold its products at a special price at the Ulises building supported by WiZink, which subsidised the price. A total of EUR 1,170.77 was collected.
- **Toy collection.** At Christmas, Madrid employees donated toys to families supported by the Betel Association.
- **Lisbon Giving Tuesday.** As part of the international Giving Tuesday movement, the Lisbon team got involved to help cover the immediate needs of those at risk of social exclusion with the **collection of clothes** and other hygiene products and held a **charity auction** where three surplus iPhones from customer promotions were auctioned. Through these initiatives EUR 737 were collected for two Crescer Association projects: *É uma casa* and *É uma Rua*.
- **Sale of promotional gifts.** The Portugal Sales Team organised a charity sale of a number of surplus products from customer promotions and collected EUR 5,665 to support the work of the *Associação Aldeias Humanitar*, which fights to prevent distress of those at risk of exclusion in Portugal. This project was recently awarded the Human Rights Prize 2019 by the Assembly of the Republic of Portugal, as part of the commemoration of the 50th anniversary of the Universal Declaration of Human Rights.

Also, WiZink organised blood donation campaigns in Lisbon and Madrid.

Lastly, the sponsorship of the WiZink Centre in Madrid has in turn had a significant impact on the promotion of sport and culture. The financing that the centre receives from the bank contributes to the improvement of the arena in terms of security and facilities so that a huge number of significant cultural events can be held there, which contributes indirectly to the creation of employment and to the local economy. With a view to 2020, the bank will also contribute through its investment in projects related to minimising the Centre's impact on the environment. The collaboration agreement has been renovated for six more years.

## 5.2 Subcontractors and suppliers

WiZink has a procurement and supplier management policy called the "Supplier Selection and Management Policy", which was updated in September 2019. It sets forth the guidelines for the selection and management of external suppliers, with the objective of guaranteeing that there are adequate controls to protect the assets, reputation and interests of WiZink and of its customers.

In the case of a bank, supplier management is particularly significant when the supplier is used for outsourcing of some of the Company's critical functions, and therefore the policy was developed in order to pursue the following objectives:

- Supplier optimisation and suppliers to maximise economic leverage and capacity for risk oversight.
- Common standards for supplier selection and management.
- Documentation requirement for supplier selection and management.
- Standardised and consistent agreement provisions that fulfil the applicable legal and regulatory requirements.
- Accurate and relevant supplier information that can be shared throughout the Company.
- Compliance with the WiZink Code of Conduct, the applicable policies and the legal and regulatory requirements in all applicable jurisdictions, as established in Section 1.6 Applicable legislation or regulation.
- Commitment to socially responsible industrial practices.

Effective supply strategies, supplier selection and supplier risk management are essential to enable WiZink to meet its operating objectives and mitigate key risks, including legal and compliance, transaction, financial, strategic, technology and reputational risk. Accordingly, in each scenario, a due diligence review is carried out prior to concluding the contract, and each year a review of critical suppliers is performed. Internal Audit has verified that the annual follow-up reports to review essential services provided by external suppliers contain the information required by the Royal Decree 84/2015 and rule 43 of the Circular 2/2016 of the Bank of Spain, regarding the delegation of the provision of services or exercise of functions. Internal Audit has verified that management conducts an annual review of outsourced essential services that includes the assessment of both risks and benefits obtained with the delegation, as well as of the quality, the experience, and stability of the supplier providing the service.

The suppliers are divided in four categories according to the bank's risk exposure. Supplier due diligence and audit processes are subject to supplier segmentation, so the more critical the supplier, the more robust the control applied to it. The most critical suppliers are monitored to identify possible incidents, although there are no suppliers with significant risks relating to the environment, society or equality.

Also, each supplier has an assigned service owner who, as established in the policy, maintains the relationship with the suppliers and performs the evaluation, selection, negotiation of contracts and supplier management activities, including performance and risk management. These activities include daily interaction with suppliers as regards support and deliveries of the service.

Due to the activity of the Company, whose suppliers are basically ancillary services for the carrying on of the financial activity such as advisory or technological services, social or environmental criteria are not included in general supplier management. However, some of the contracts now include "sustainability" clauses focused on health, safety and the environment. These lines will be consolidated through the Corporate Social Responsibility Plan in 2020, with the implementation of the principles of a responsible value chain.

Lastly, WiZink contributes to the development of employability and local development in cooperation with 89% of local suppliers.

### 5.3 Customers

#### Claims management

WiZink has a Complaints Customer Service Department that reports to the head of the Legal Services and Regulatory Compliance area of the bank, and is the direct intermediary with the Customer Service Department of the various regulators in relation to customer complaints and claims (in Spain: the Bank of Spain and the Directorate-General of Insurance and Pension Funds. In Portugal: the *Banco do Portugal* (Bank of Portugal) and the *Autoridade de Supervisão de Seguros e Fundos de Pensões* (Insurance and Pension Funds Supervisory Authority)).

In general, the most common methods used by customers to file their claims are:

- In Spain, by e-mail and post (both ordinary and certified) sent directly to WiZink or through complaints filed at the Bank of Spain. After reviewing WiZink's response, or if they have not received a response, customers can alternatively file a claim with the Spanish banking regulator.
- In Portugal, customers can either file complaints at WiZink or with the Bank of Portugal, i.e. there is no pre-requisite to submit a complaint to the bank before complaining to the regulator.

Received complaints have increased 20% compared to the previous exercise:

Key data	Country	
	Spain	Portugal
Total number of customer complaints received	16,678	4,247
Number of complaints settled in favour of the customer	3,536	377
Number of complaints settled in favour of the bank	11,927	4,077
Number of complaints pending resolution	254	126
Number of complaints not admitted	961	Not applicable

WiZink has teams specialising in the management of complaints, who process them by means of a systematic process of registration, management, analysis and control of the complaints received, and classify them according to the various types. This allows us to identify the causes of customer dissatisfaction, the issues and, as a final outcome, the appropriate solutions for each case.

WiZink considers formal complaints to be those prepared by customers and local regulatory bodies and addressed to the Customer Service Department Complaints area. In order to guarantee the protection of customer rights, and in accordance with the transparency and clarity that govern the Company's activity, and to ensure diligence and good banking practices, the criteria applied in all resolutions are based on the confirmation of:

- The correct application of policies and internal procedures.
- The proper fulfilment of WiZink's contractual obligations to customers.
- Compliance with applicable regulations and good practices issued by the Bank of Spain and the Bank of Portugal.

This department adopts decisions autonomously and independently, informing the various business units of the actions that require the regulations to be reviewed or adapted.

The principles, criteria and procedures that govern decision-making in the resolution of complaints in the area of WiZink Customer Service Department Complaints area are:

- Identify the errors or omissions made by the bank and evaluate the impact they have had on the customer, both at financial and non-financial level.

- Put yourself in the customer's place, understand their perspective and always put customers at the centre of decision making.
- Adopt an historical approach to the analysis of each complaint, considering all the matters of complaint raised by the customer, the facts of the case and all available evidence. This allows for a complete picture of the customer's circumstances, as well as their complaint as a whole.
- The rulings are complete, objective, fair and based on the facts.
- Identify the customer's needs, considering all the facts that have given rise to the complaint.

Some of the claims made by customers result in legal action. The nature and impact of these complaints on the financial position and results of bank's operations are further described in Note 20 and 46 to the Consolidated Financial Statements.

#### Customer safety measures

##### Help clients in managing their finances

WiZink tries to ensure customer safety through various mechanisms related to money management and online behaviour. Also the bank is designing a wide programme to explain the use of the bank card, basic financial concepts such as the difference between a loan and a card, how to use flexible payments, repay debt or the payment channels available. In the day to day of the clients, WiZink offers information on the expenses of the users through the app, always updated, and sends a monthly extract with this information. In addition, customers can change the payment method of their card when they need it and they are informed at all times of the costs associated with the financing of purchases. Additionally, in 2019 a new platform, "Unido", was launched in Portugal to facilitate the daily management of customers' accounts, regardless of the bank to which they belong.

##### Fraud prevention

For a bank, one of the main risks as regards customer security is fraud. Accordingly, WiZink has a robust system of fraud prevention. If unusual movements are detected with a WiZink credit card, the bank contacts the customer to confirm these transactions and quickly block the card to prevent possible fraud. Also, the cardholder will not be liable for the financial consequences resulting from the use of a lost, stolen or counterfeit card, provided that there is no negligent behaviour on the part of the customer.

##### Accident insurance

All customers for the mere fact of holding a WiZink card have accident insurance, travel assistance and purchase protection for free in Spain and Portugal. Also, until the end of the year the bank in Spain had stands in shopping centres that had insurance to protect the customer in the event of an accident. In Portugal they will be maintained during the next exercise.

#### 5.4 Tax information

Profit before tax (thousands of euros)	Spain	Portugal	Total
Continuing operations	(500,143)	11,456	(388,687)
Discontinued operations	-	-	-
<b>TOTAL</b>	<b>(500,143)</b>	<b>11,456</b>	<b>(388,687)</b>

Taxes paid (thousands of euros)	Spain	Portugal	Total
WIZINK BANK	19,620	36,616	56,236
WIZINK MEDIADOR	488	45	534
<b>TOTAL</b>	<b>20,109</b>	<b>36,661</b>	<b>56,770</b>

In 2019 WiZink has not received any Government grant.

## 6. Respect for human rights

Although there is no specific human rights policy at the bank, the WiZink Code of Conduct includes protection of these universal rights in the rules of conduct. This Code is complemented by the organisation's values and ethical principles and the good corporate governance and professional ethics of its employees. Also, to show the importance that ethical issues have acquired at the bank, the Company provides for human rights in the corporate risk map.

As stated in section 3. Anti-corruption and bribery, the Code of Conduct outlines some general guidelines on the internal relations of WiZink that include the principle of equality and non-discrimination, respect for people in all professional relationships at WiZink, and the collective rights of workers, among others, guaranteeing compliance with the provisions of the fundamental conventions of the ILO in relation to respect for freedom of association and the right to collective bargaining.

Also, human rights matters are dealt with in Code of Conduct-related training, with the aim that employees are aware of these issues and an environment of respect in the working environment is encouraged.

WiZink has a zero tolerance policy 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 the anonymity of the whistleblower if they should so request.

In 2019 there were no cases of human rights violations reported through the internal whistleblowing channel, nor were any laws or regulations infringed in relation to this issue.

## 7. 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, and as a tenant, WiZink contributes to obtaining LEED certification. Also, the bank has a preventative maintenance plan for all facilities, and an annual property budget (Plan 2019) for each building.

Furthermore, the bank promotes paperless and waste recycling policies. In relation to transport, WiZink encourages employees to use public transport, as the Madrid office is opposite a metro station and every employee is entitled to a transport card to buy the public transport season ticket for travel. Also promoted are the use of bicycles, by offering specific parking for them, encouraging a healthy and environmentally friendly habit, and the use of electric cars through the installation of charging points at the carpark in Madrid.

In line with the Company's CSR strategy, work has also been carried out to promote environmental awareness through everyday actions such as dissemination of resources, internal information and ideas to improve the day-to-day interaction with our surroundings.

Due to WiZink's digitised activity and industry, the current and foreseeable impact of the Company as regards the environment present a low risk.

### 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:

- Closure of doors and lights turned off during holidays and weekends.
- Installation of light and climate sensors.
- Planning of follow-up and improvement actions for all buildings.

The total electricity consumption of WiZink in 2019 was 5,187,354 kWh, 4.5% more than in 2018.

	2019
Category 1	
Consumption of own cars (l)	3,039
Consumption of gas (m <sup>3</sup> )	42,499
Emissions (tonnes CO <sub>2</sub> equivalent)	94.59
Category 2	
Electricity consumption (kWh)	5,187,354
Emissions (tonnes CO <sub>2</sub> equivalent)	2,127
Category 3	
Employee journeys used (km.)	2,017,222.68
Emissions (tonnes CO <sub>2</sub> equivalent)	203.13

As WiZink is a company with a presence in Portugal and Spain, the main impacts of the bank's activities in relation to CO<sub>2</sub> emissions arise from journeys made by professionals. In 2019, they travelled 747,877 kilometres by train and 1,269,346 kilometres by plane, which gave rise to a CO<sub>2</sub> equivalent of 203.13 tonnes. WiZink encourages meetings via videoconference by providing the appropriate tools such as meeting rooms available to all employees and laptops with specific programmes for this purpose.

### Other resources consumed<sup>5</sup>:

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.

	2019
Water consumption (m <sup>3</sup> )	14,157
Paper consumption (kg.)	7,635

<sup>5</sup> Information for 2018 is not available.



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

While the bank is committed to the sustainable use of resources, no specific reduction targets have been set.

#### **Circular economy**

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. In 2019, the office in Madrid sent 2.4 tonnes of paper and cardboard to be recycled through a registered waste manager.

Also, the bank performs internal communications and recommendations through the intranet on recycling and general care for the environment, such as the Earth Hour campaign, day-to-day actions to reduce consumption of water and light and care for the environment, 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.

## 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		Standard used	Page number
<b>Business model</b>			
Description of the Group's business model	<ul style="list-style-type: none"> <li>- Description of the business model.</li> <li>- Location of operations.</li> <li>- Objectives and strategies.</li> <li>- Main factors and trends that affect future evolution.</li> </ul>	GRI 102-2, 102-3, 102-4, 102-6, 102-7, 102-15	2-6
Policies	Management focus.	GRI 102-15, 102-30, 103-2, 103-3	8-31
Results of policies, KPIs and Main risks	Results of policies and main risks and impacts arising from the Group's activities, and the management thereof.	GRI 102-15, 102-30, 103-2, 103-3	7-11
<b>Information on environmental matters</b>			
General	Effects of the company's activities on the environment, health and safety.	GRI 102-15	28
	Environmental certification or assessment procedures.	GRI 103-2	28
	Resources used to prevent environmental risks.	Not material for the Company	Not applicable
	Application of the precautionary principle.	Not material for the Company	Not applicable
	Provisions and guarantees for environmental risks.	Not material for the Company	Not applicable
Pollution	Contamination prevention measures.	GRI 103-2, 302-4	28-29
Circular economy and waste prevention and management	Waste prevention and management measures.	GRI 103-2	29
	Actions to combat food waste.	Not material for the Company	Not applicable
Sustainable use of resources	Consumption of water.	GRI 303-1	28
	Consumption of raw materials.	GRI 103-2, 301-1	28
	Energy: Direct and indirect consumption; Measures adopted to improve energy efficiency and use of renewable energies.	GRI 103-2, 302-1	28
Climate change	Greenhouse gas emissions (GHG)	GRI 305-1, 305-2, 305-3	28
	Measures to adapt to climate change.	Not material for the Company	Not applicable
	Targets to reduce GHG emissions.	Not material for the Company	Not applicable
Biodiversity protection	Measures taken in order to conserve or restore biodiversity.	Not material for the Company	Not applicable
	Impacts caused by business activities.	Not material for the Company	Not applicable
<b>Information on social and personnel-related matters</b>			
Employees	Total number of employees by gender, age, country and professional category.		16
	Total number and distribution of employment contracts by type.	GRI 102-7, 102-8, 405-1	16-17
	Annual average of indefinite-term, short-term and part-time employment contracts by gender, age and professional category.		16-17
	Number of terminations by gender, age and professional category.	GRI 401-1	17
	Average remuneration by gender, age and professional category or equivalent value.		17
	Gender pay gap.		17
	Remuneration of identical job positions or average positions at the company.	GRI 102-35, 102-36, 405-2	17
	Average remuneration of directors and senior executives, by gender.		Note 7 to Consolidated Financial Statements
	Measures to disconnect from work.	GRI 103-2	18
	Employees with disabilities.	GRI 405-1	21
Work organisation	Organisation of working hours.	GRI 102-8	18
	Number of hours of absenteeism.	GRI 403-2	20
	Measures to facilitate work-life balance.	GRI 103-2	18
Health and safety	Occupational health and safety conditions.	GRI 103-2	19-20
	Accident rates by gender.	GRI 403-2, 403-3	20
	Occupational diseases.	GRI 403-2, 403-3	20

Content of Law 11/2018 on non-financial information		Standard used	Page number
Labour relations	Organisation of labour/management dialogue.	GRI 103-2	20
	Percentage of employees covered by collective bargaining agreements.	GRI 102-41	20
	Assessment of collective agreements in the occupational health and safety area.	GRI 403-4	20
Training	Training policies.	GRI 103-2, 404-2	21
	Total training hours by professional category	GRI 404-1	21
Accessibility	Universal accessibility for people with disabilities.		21
Equality	Measures for equality between men and women.		
	Equality plans.		
	Measures to promote employment.	GRI 103-2, 405-1, 406-1	21-22
	Protocols against sexual and gender harassment.		
	Universal accessibility for people with disabilities.		
	Anti-discrimination policy and management of diversity.		
<b>Information on respect for human rights</b>			
Human rights	Performance of due diligence reviews.		
	Measures to prevent and manage possible instances of abuse.		
	Complaints of violations of human rights.		
	Promotion of and compliance with ILO provisions.	GRI 102-16, 102-17, 103-2, 412-2, 419-1	27
	Elimination of discrimination in employment and occupation.		
	Elimination of forced and compulsory labour.		
<b>Information relating to anti-corruption and bribery issues</b>			
Corruption and bribery	Anti-corruption and anti-bribery measures.	GRI 103-2, 205-2	12-15
	Anti-money laundering measures.		
	Contributions to foundations and not-for-profit entities.	GRI 103-2, 413-1	23
<b>Information on the Company</b>			
The Company's commitment to sustainable development	Impact of the Company's activity on employment and local development.		
	Impact of the Company's activity on local populations and on the territory.	GRI 204-1	23-24
	Relationships with local communities.	GRI 103-2	23-24
	Association or sponsorship activities.	GRI 102-12	23-24
Outsourcing and suppliers	Inclusion of ESG matters in the purchasing policy.		
	Consideration of social and environmental responsibilities in supplier and subcontractor relationships.	GRI 102-9, 103-2	24-25
	Supervisory systems, audits and their findings.		
Consumers	Consumer health and safety measures.	GRI 103-2, 416-2	26
	Complaints and grievances management system.	GRI 102-17, 103-2	25-26
Tax information	Profit/loss by country.	GRI 201-1	
	Income tax paid.		26
	Government grants received.	GRI 201-4	