

Non-Financial Information Statement

for the year ended 31 December 2021

**wi
zink**

Un banco.
Infinitas posibilidades



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Introduction	Materiality study and ESG strategy	Business model	Risk Management	Fighting corruption and bribery	Social and employee-related issues	Commitment to society	Respect for human rights	Environmental matters	EU Taxonomy	Appendix

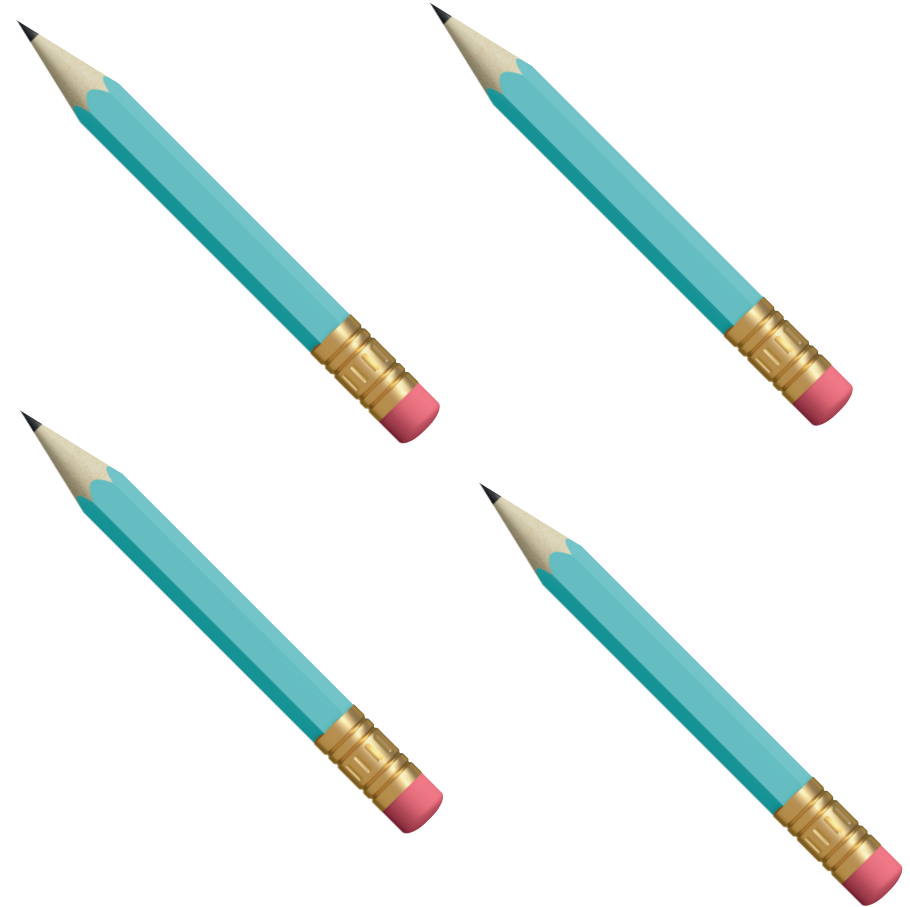


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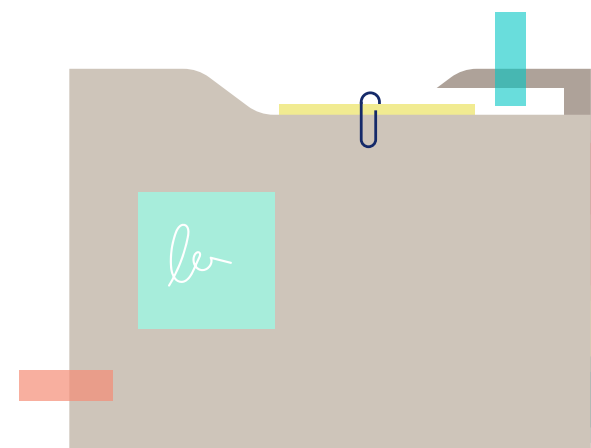
1. Introduction



1. Introduction

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

This document refers to the business activities of WIZINK BANK, S.A.U. and companies comprising the Group ["WiZink" or "the Company"]. *Global Reporting Initiative's* [GRI] sustainability reporting guidelines, were used as the reporting standard for the preparation of this non-financial information statement, following the principles and content defined in their latest version, the *GRI Standards*.



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2. Materiality study and ESG strategy



2. Materiality study and ESG strategy

2.1. Materiality study results

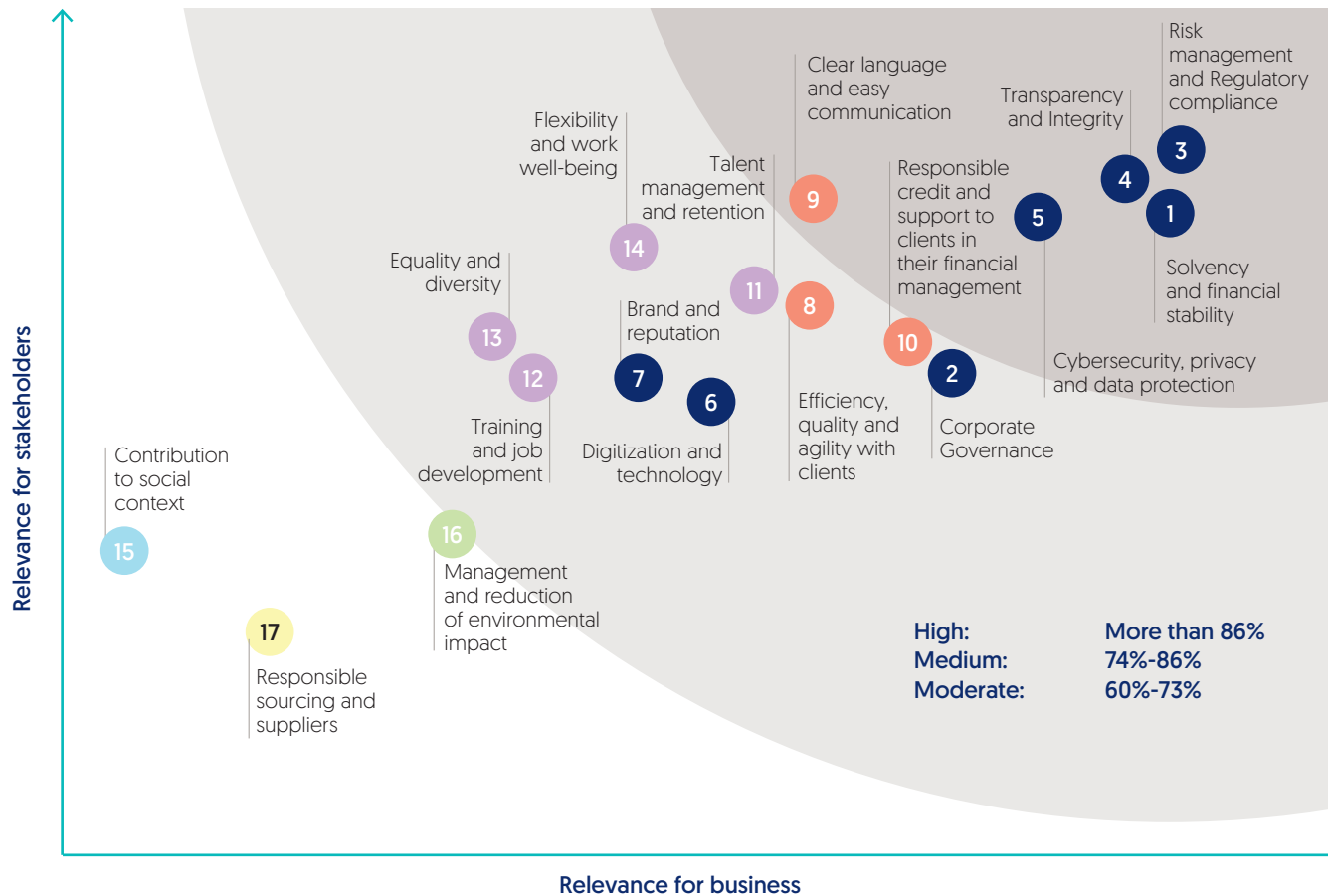
The Company has carried out a materiality study in 2021 that has made possible the identification and prioritization of relevant issues in terms of sustainability both for the business and for the priority stakeholders.

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

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

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





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

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

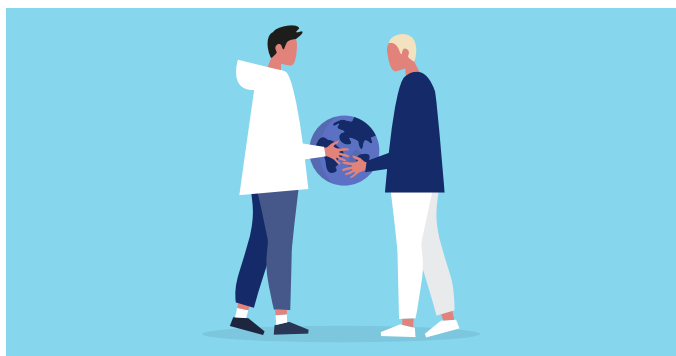
2.2. ESG Strategy (Environmental, Social & Governance)

During 2021, WiZink has also reviewed its ESG strategy, based on a study of its current positioning and the results of the materiality analysis carried out. Additionally, the nature of the entity has been considered to select those aspects where more impact to the society can be achieved.

Current positioning

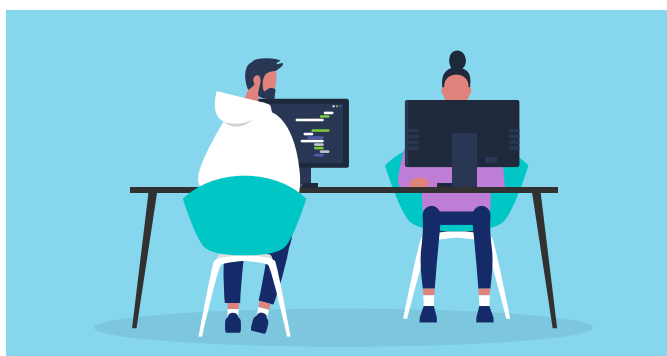
WiZink current positioning study in ESG is based on the analysis of the information requested by different entities with relevance in the market [e.g., investors, regulators]. The main strengths of WiZink in each ESG field are extracted from the abovementioned study:

Environmental



- Launch of personal loans with ESG purposes including more favorable financing conditions: eco loan [e.g., financing the installation of solar panels] and educational loan.
- Implementation of multiple actions to optimize energy and resource consumption (e.g., all new vehicles are hybrid, eco or zero emissions, 38% reduction in contracted power and installation of LED lighting in our facilities in Zaragoza).

Social



- Broad set of amicable collection solutions [e.g., payment plans, debt restructuring].
- 48% of women in management and senior management positions.
- Gender salary equality [no relevant salary differences between women and men by professional category].

Governance



- Effective health, safety and conduct policies.
- Lack of legal or regulatory sanctions.
- More than half of independent board members [5 out of 8].

New ESG strategy

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

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

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

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



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

Strategy Implementation plan

Based on these priorities, a plan of initiatives has been designed to enable WiZink to progress in the implementation of its new ESG strategy. Some of these initiatives have already been implemented throughout 2021. Amongst them, apart from the aforementioned materiality analysis, the fulfillment of the main milestones of the ESG strategy has been included in the corporate goals both of the board and of the rest of the entity, whose main initiatives in 2022 are:

The development of these initiatives, amongst others, will allow WiZink to continue moving towards its new ESG strategy and, ultimately, participating in the creation of a fair, sustainable and responsible society.



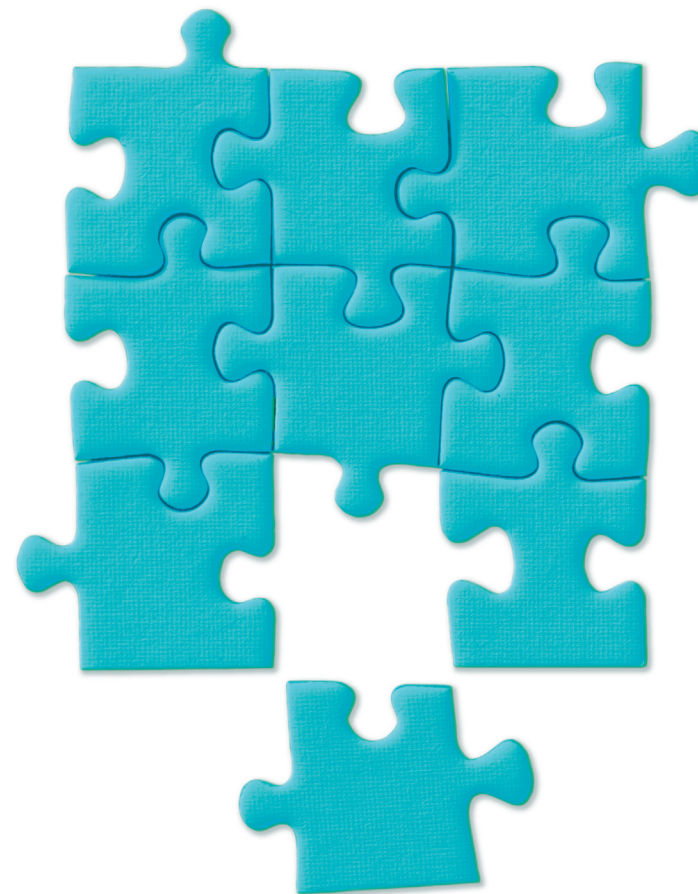
Initiatives in 2022

- Designation of a member of the Board of Directors as responsible for ESG.
- ESG training for all employees, the Executive Committee and the Board of Directors.
- Development plan for ESG products (eco and educational loan).
- Definition of objectives to reduce the organization's ecological footprint.
- Review customer communications to ensure they are a reference on transparency and simplicity to the market.
- Corporate volunteer program to promote education in digital skills.

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3. Business model



3. Business model

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

In line with its intention to explore new opportunities for business development, in 2018 WiZink acquired 100% of the Spanish instant online credit start-up Aplazame, S.L.U. and in 2021 acquired 100% of the Spanish digital financial startup for the acquisition of second-hand vehicles Lendrock Spain, S.L.

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

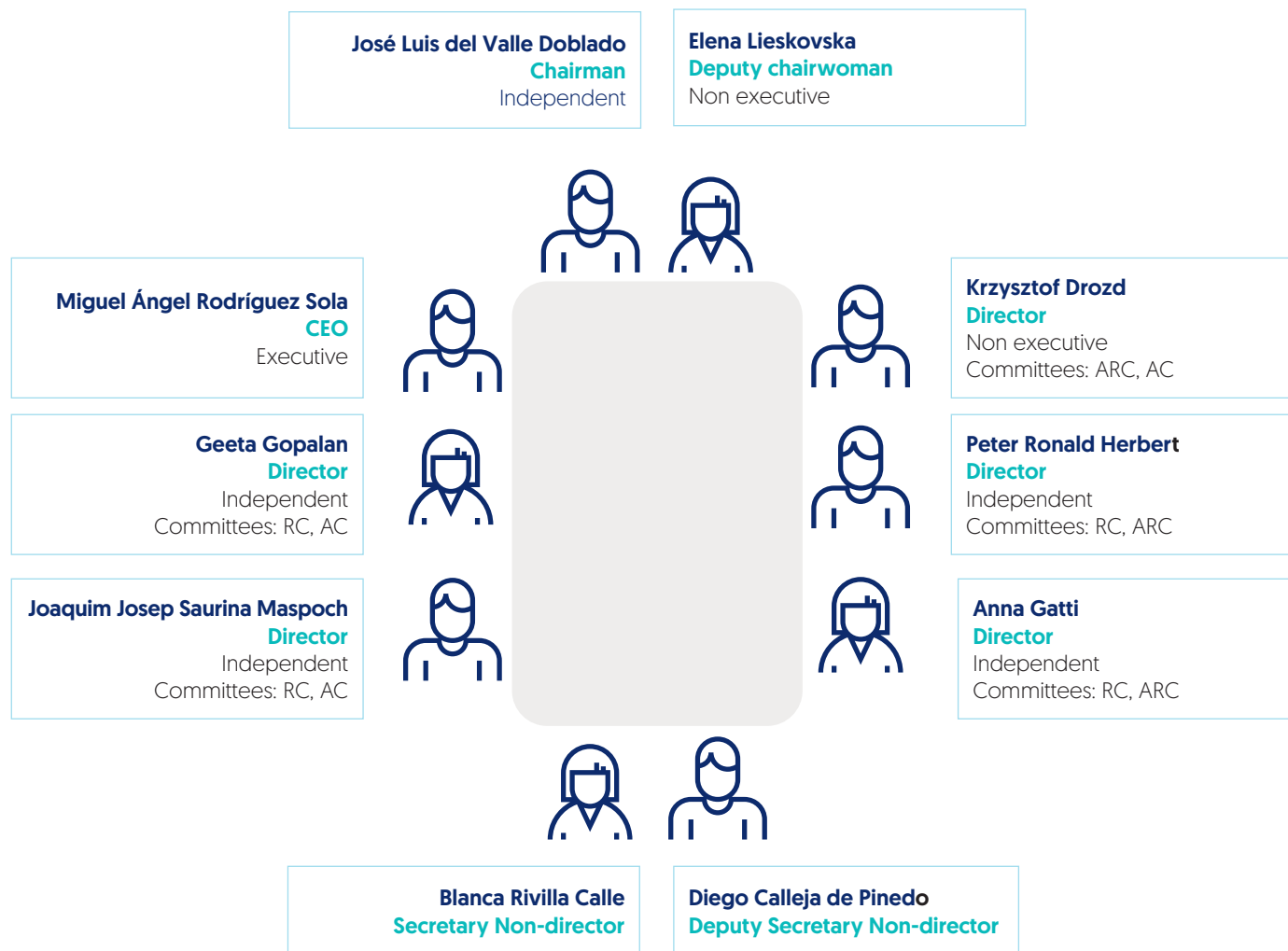
WiZink's corporate policy is based on four core values: innovation, collaboration, responsibility and execution. Those values serve as an inspiration and guide not only for the executive team, but for everyone across the organization. WiZink's updated corporate governance structure was approved by WiZink's Board of Directors in December 2020, applicable from January 1st, 2021.

3.1. Board of Directors

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

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

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



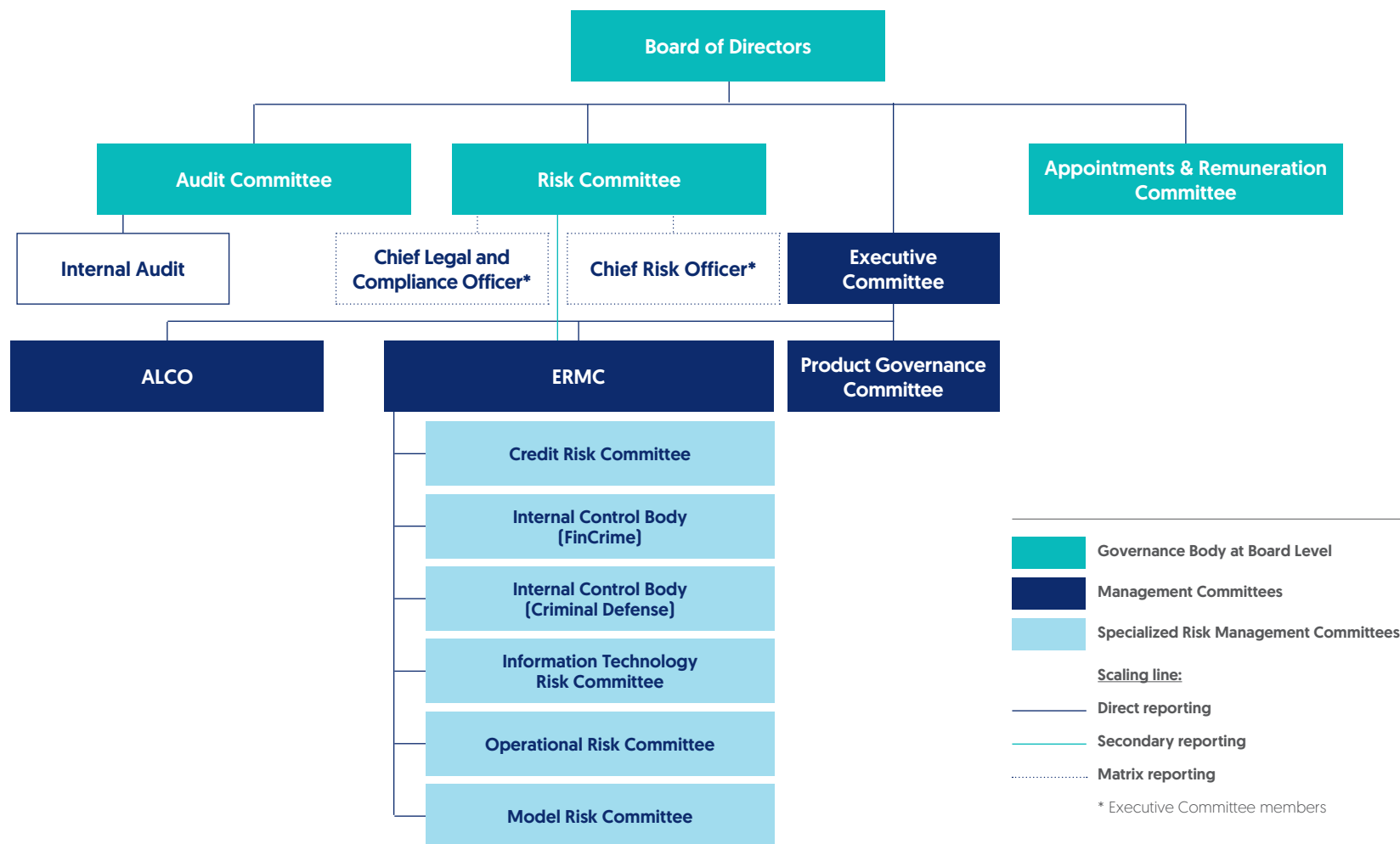
WiZink has in place a procedure to assess the suitability of the members of the Board of Directors and key management personnel. The assessment is entrusted to the Board of Directors, with the assistance of the Appointments and Remuneration Committee and the Board Secretary.

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

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

Committees. RC: Risk Committee. ARC: Appointments and Remuneration Committee. AC: Audit Committee

The following diagram summarizes corporate governance structure in WiZink:



Board committees

Risk Committee

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

Appointments and Remuneration Committee

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

Audit Committee

The Audit Committee ("AC") is responsible for overseeing the preparation of the Financial Statements together with the external auditors. Furthermore, the AC is responsible for overseeing the effectiveness of the Bank's internal control and risk environment, the audit and risk management systems and processes and, when deemed appropriate, it may submit recommendations or proposals to the Board of Directors. The AC is currently composed of three members of the Board who do not discharge executive functions at the bank. The AC is chaired by an independent director.



According to the structure approved in December 2020 for application from January 1st 2021:

Management level committees

Executive Committee (“ExCo”)

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

Asset-Liability Committee (“ALCO”)

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

- Active monitoring of the liquidity, financing, market risk and capital risk profiles by means of the metrics defined and the early warning indicators (the EWIs);
- Having sufficiently broad representation in those functions that can have a direct or indirect impact on the risk profile;

- Guaranteeing reports disclose accurate, timely and relevant information on the level and sources of risk exposure;
- Approving capital and liquidity plans in support of the dividend proposals;
- Forecasting to identify potential breaches of risk appetite or regulatory requirements;
- The execution of stress tests to ensure the resilience of the structure of balances to shocks in structural risks.

Enterprise Risk Management Committee (“ERMC”)

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

Product Committee

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

Crisis Committee

It is an ad-hoc committee for the management of a crisis, which shall be activated I) once a Major or Relevant impact event has been identified and evaluated by the CRO or the CLCO as indicated in the

Delegation and Risk Escalation Policy, or II) in case the Board activates the Recovery Plan.

It is the executive body with the ultimate responsibility to manage the crisis, and is therefore responsible for proposing a specific communication plan to the ExCo/ Board on the basis of the measures and recovery options that need to be implemented to manage the crisis.

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

Credit Risk Committee (“CRC”)

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

Internal Control Body (“OCI”) - FinCrime

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

Internal Control Body (“OCI”) - Criminal Defence

The purpose of this committee is to ensure compliance with the criminal defense regulations, namely, i) Organic Law 5/2010, of 22 June, amending the Organic Law 10/1995, of 23 November, Spanish Criminal Code, ii) Organic Law 1/2015, of 30 March, amending the Organic Law 10/1995, of 23 November, Spanish Criminal Code iii) Circular 1/2016, of 22 January, on the criminal liability of legal entities pursuant to the reform of the Spanish Criminal Code introduced by Organic Law 1/2015, iv) Requirements of the crime prevention management

system at AENOR [Spanish standards body] organizations, v) Organic Law 1/2019, of 20 February, amending the Organic Law 10/1995, of 23 November, Spanish Criminal Code.

IT Risk Management Committee (“ITRMC”)

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

Operational Risk Management Committee (“ORMC”)

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

Model Risk Committee

Serves as the primary body for all material matters related to model risk management. The objective of the Committee is to provide the appropriate oversight and governance of WiZink’s Model Risk, ensuring adherence to Risk Appetite and Model Risk Policy and related Standards. It will lead an interaction between all

key members to discuss/debate main model’s statistical indicators & tiering evolution, identification of model weaknesses, the definition and follow up of corrective actions. The Committee will provide recommendations to the ERM C every time a relevant model risk needs to be escalated..

3.2. 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, S.L.	WiZink Bank, S.A.U. ¹	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, S.L.	WiZink Bank, S.A.U. ²	95,00%	Entity specialized in collections.	Debt and asset recovery services.
	Aplázame, S.L.U.	5,00%		
Lendrock Spain, S.L.U.³	WiZink Bank, S.A.U.	100,00%	Entity that provides financing for the acquisition of second-hand vehicles through its digital platform.	Digital financial
Aplázame, S.L.U.⁴	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.	Credit intermediation services
Aplázame LoanBook 1, S.L.	Aplázame, S.L.U. ⁵	100,00%	Non-mortgage loans and credits provision with deferred payment formula, open-end credit line or any other equivalent financing form.	Financial technology
Aplazame Sociedad Anónima Promotora de Inversión de Capital Variable⁶	Aplázame, S.L.U.	99%	All sorts of loans and credits provision.	Credit intermediation services
	Aplázame LoanBook 1, S.L.	1%		
Aplazame, Unipessoal LDA⁷	Aplázame, S.L.U.	100,00%	Credit intermediation services	Credit intermediation services
WiZink Bank, S.A. - Sucursal em Portugal	WiZink Bank, S.A.U.	100,00%	Loans to retailers through the marketing of credit cards.	Banking services

[1] As a result of the takeover merger between WiZink Bank S.A.U with Aplazame, S.L.U. and Lendrock Spain, S.L.U., registered on March 4th, 2022 (the "Merger"), it is the direct owner of the 100% as the date of issuance of this document.

[2] As a result of the Merger, it is the direct owner of the 100% as the date of issuance of this document.

[3] As a result of the Merger, such company does not exist as the date of issuance of this document.

[4] As a result of the Merger, such company does not exist as the date of issuance of this document.

[5] As a result of the Merger, WiZink Bank, S.A.U. is the direct owner of the 100% as the date of issuance of this document.

[6] In the process of liquidation and dissolution

[7] Liquidated in January 2022

3.3. Objectives and strategy

WiZink, leader in credit card financing in Iberia, has decided to expand its range of financing products to become a diversified digital consumer lending entity. This evolution is articulated through 3 pillars:

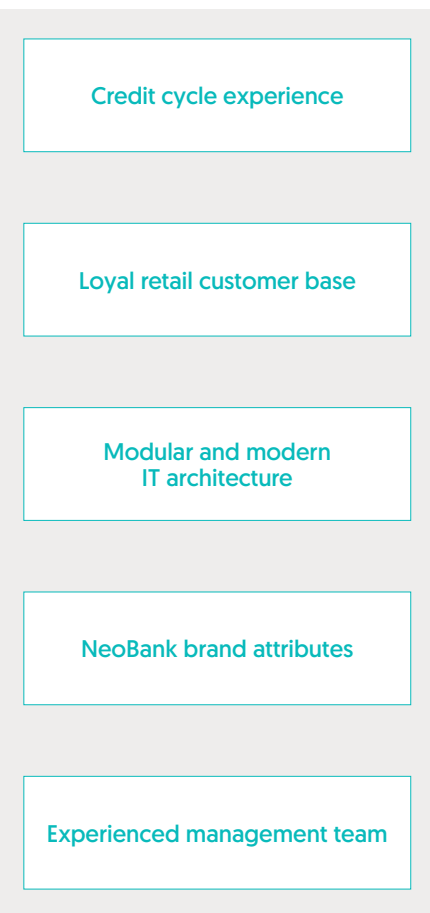
The strategy will allow WiZink to be more present in people's day to day lives and help them to better manage their finances, the strategy will be developed based on the company's strengths:

- Continue evolving our credit card management model through the development of a segmented offering that includes additional cards, new agreements with third parties [e.g., in 2021 WiZink has finalized agreements with Benfica and Cepsa in Portugal]; the digitalization of all our sales, management and service processes and the reinforcement of our risk management capabilities
- Accelerate the growth and value generation of our point-of-sale financing business [Aplazame], converting it in point-of-sale financing for retailers and customers.
- Grow by offering additional digital financing solutions, developing additional products such as personal loans or auto financing.
- Experience in managing the complete credit lifecycle.
- Stable base of more than 1.9 million customers with an average length of service of more than 5 years.
- Modular and modern technological architecture.
- Digital bank brand attributes.
- Proven experience of the Board of Directors managing entities in all phases of the economic cycle.

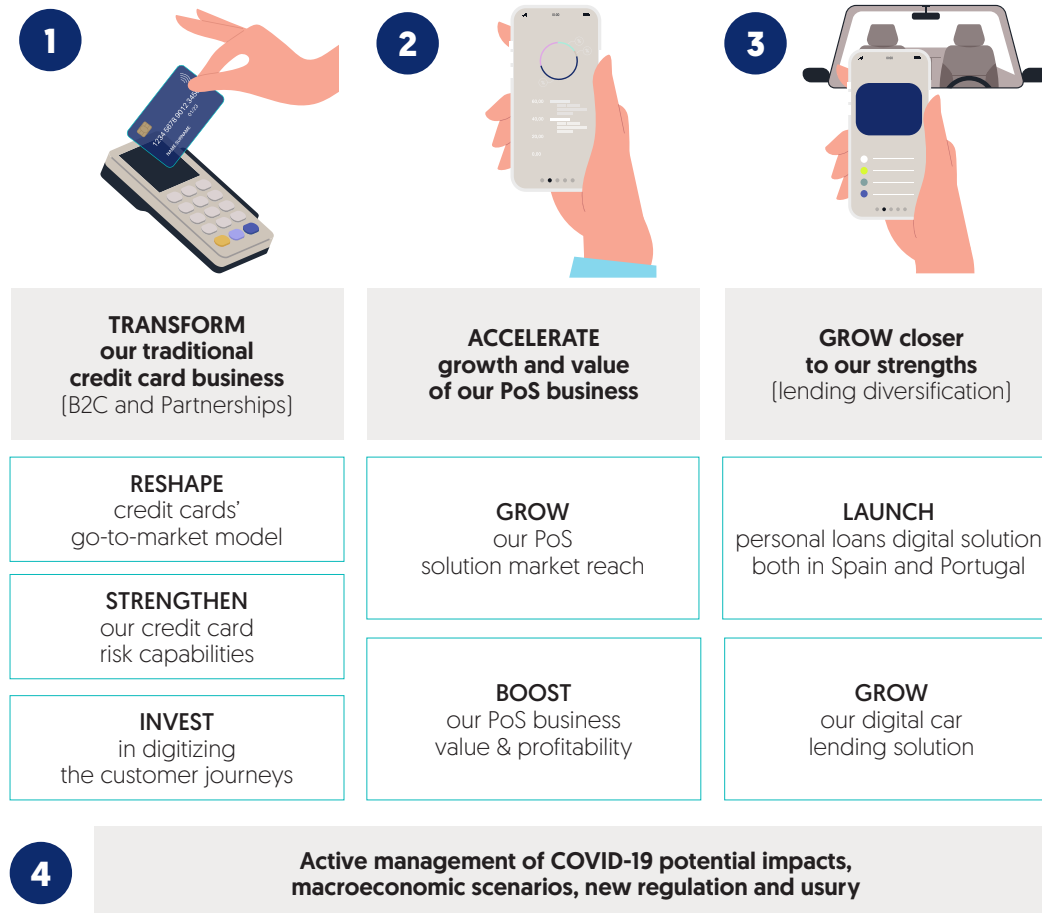
The successful implementation of our strategic priorities also requires active management in parallel of the main structural challenges facing the consumer finance sector: managing the impacts of the pandemic Covid-19 and adapting and complying to new regulatory standards on transparency, responsible lending and usury.



We are leveraging on our assets...



...leaning on our strategic priorities...



...to reach our ambition



3.4. Business environment, trends and regulation

Consumer Finance/revolving credit market

After a positive growth economic cycle since 2010, consumer finance market in Spain presented a credit balance of €91,8BN at the end of 2020, continuing its decreasing tendency since 2019 [€94,3BN]. The reduction of balances during 2020 is a consequence of the impact of the health crisis on consumption which, on the demand side, is translated into lower consumption. On the supply side, financial institutions have adapted their risk policies to the worse macroeconomic environment, reducing their risk appetite and associated funding. At a segment level, credit card balances decreased by 6% over the year [€13.8BN as of December 2019 compared to €12.9BN in December 2020], while the other segments combined decreased by 2% [€78.8BN as of December 2020 compared to €80.5BN in 2019]. Therefore, there has been a progressive decrease in the relative weight of the credit card business compared to other consumer finance products, which reinforces the strategic relevance of diversification for WiZink, which is already competing in all market segments [credit cards, personal loans, auto loans and point-of-sale financing].

Despite balance reduction, new consumer finance origination begins to show positive signs [9% increase in average monthly origination in Q2 and Q3 2021 compared to Q1 2021]. In this regard, we observe that the increased consumption seems to have reversed the downward trend in balances, as Q3 presented a growth in balances up to 2% [compared to Q1 2021 to a total of €91.6BN] derived from the higher consumption observed once mobility restrictions initiated by the Covid-19 pandemic crisis have been reduced.

In addition to volumes reduction, the structural profitability of credit card business has been affected by the reduction in prices of credit products. Thus, following the Supreme Court ruling on March 4th 149/2020, and the legal uncertainty that has resulted from it, we observe a general price reduction towards the reference financing interest rate determined by the Supreme Court. As a result, average market nominal interest rate has decreased from 22.9% at the end of 2019 to 21.5% at the end of Q3 2020, although it is not possible to determine the average market annual effective interest rate [APR].

In Portugal, consumer finance market has also decreased to €25.2BN at the end of 2020 compared to €26.6BN at the end of 2019. However, consumer finance market has started its recovery, increasing the total balance to €25.4BN, up 1% compared to year-end 2020¹.

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

- Credit card payments: credit card payments and cash withdrawals started to recover pre-Covid-19 levels in Q2 2021 (€27Bn in Q2 2021 compared to €22Bn in Q1 2020), driven by both the easing of pandemic-related restrictions and the reduction in the weight of cash payments in favour of card payments.
- Autoloans financing market: car sales grew by 16% in Q2 2021; however, they are still below 2020 levels, which had a worse macroeconomic situation. Potentially, this is due to the global shortage of raw materials such as chips and steel, a situation that is expected to continue in the coming months.

¹ Source: Euromonitor data

- E-Commerce: e-commerce purchases grew by 5% in 2020 (€51.1Bn in 2020 compared to €48.8Bn in 2019). In 2021, growth tendency continues (24% increase to €14.1Bn in Q2 2021 compared to Q2 2020 with €11.4Bn), although e-commerce purchases are losing relative weight compared to physical commerce purchases which, due to the pandemic situation where reduced, are now recovering fast (45% increase to €44.1Bn in Q2 compared to the same period in 2020 with €30.5Bn).

In essence, WiZink competes in a market that has been strongly affected by the healthcare crisis but presenting positive outlook in a context of economic recovery as foreseen by main international organizations (potential GDP growth above the historical average in both 2021 and 2022). These forecasts, however, will continue to be monitored by the company, since any deterioration caused by a worsening of the situation due to the healthcare crisis may reduce the expected future growth of the market.

Summarizing, this strategy allows WiZink to compete across the entire scope of consumer finance in Iberia, which will enable WiZink to offer any financing product to Iberian customer, increasing growth opportunities to the company.

Market regulation

NATIONAL REGULATION

The year of 2021 was abundant in terms of regulatory directives and regulation, the majority related to the worldwide pandemic (Covid-19).

All this regulatory development required an important effort to be compliant, especially regarding to costs assumption and adaptations needed to be compliant by financial institutions

– consequently to WiZink, which commercializes consumer products for individuals.

We have observed, in 2021, a considerable normative regulation with social and consumer protection content. Generally, the Covid-19 measures had as the objective to protect and support vulnerable families, companies, and for the collective as consequence. For financial companies, in special, there was a debt moratorium linked to the sanitary crisis with a maximum period of 9 months. During 2021, we have sent and reported all the moratorium detail' information required by the Bank of Spain and Portugal. Additionally, there were also moratorium' sectorial initiatives such as ASNEF (Spanish Credit and Financial Association), which jointly with the European Bank's Authority had recommended to extend it, also followed by WiZink.

As indicated above, in 2021 there has been extensive regulatory and legislative normative to protect the most disadvantaged parts of society due to the sanitary crisis and allowing major protection to the consumers in what regards to transparency bank operations, highlighting the following within Spain:

- **Royal Decree-Law n.º 3/2021**, adopting measures to the reduction gender gap and other matters in terms of economic and social security, which gave place to credit suspensions and moratorium extension.
- **Royal Decree-Law n.º 5/2021**, March 12, extraordinary measures for corporate solvency answering to Covid-19 pandemic.
- **Royal Decree-Law n.º 1/2021**, February 19, consumer protection users in financial and social vulnerability situation (creation of a special and reinforced protection for the vulnerable and needy consumers' people).



- **Law Project to face social and economic urgent vulnerable situations** related to home property and transportations [proceeding from the Royal Decree-Law n.º 37/2020, December 22].
- **Royal Decree-Law n.º 7/2021**, April 27, European Union transposing Directives related to competition, preventing and combating money laundering, credit entities, telecommunication, tax measures, prevention and remedying of environmental damage, employees displacement in international services and consumers' defense.
- **Preliminary Law draft which changes the text of the General Consumer Law** and its complementary laws, approved by the Royal Legislative Decree n.º 1/2007, November 16, concretization and control of unfair clauses.
- **Royal Decree-Law n.º 27/2021**, November 23, extension of certain economic measures to support the economic recovery. Extension until the 30th of June of 2022 of the insolvency moratorium [previewed at the article 6 of the Law n.º 3/2020 – exemption of the right of insolvency declaration], the initial due date was the 31th of December of 2021.
- **Preliminary Law draft for Consumers' Customer Service/ Care**
- **Royal Decree-Law n.º 1041/2021**, November 23, changes the Royal Decree-law n.º 2606/1996, December 20, related to credit institutions deposit guarantee fund, as well as the Royal Decree-Law n.º 1012/2015, November 6, developed by the Law n.º 11/2015, June 18, recovery and resolution plans for credit institutions and investment services companies, changing the Royal Decree-Law n.º 2606/1996, December 20 [credit institutions deposit guarantee fund].

- **Royal Decree-Law n.º 970/2021**, November 8, changing the Royal Decree-Law n.º 1644/1997, October 31, administrative authorization and solvency requirements of the counter guarantees, the Royal Decree-Law n.º 2660/1998, December 14, foreign exchange currency for open public credit institutions establishments and the Royal Decree-Law n.º 84/2015, February 13, which develops the Law n.º 10/2014, June 26 [planning, supervision and solvency of credit institutions].

Also in 2021, the first summonses to the **Financial Sandbox**, object of the Law n.º 7/2020 [digital transformation of the financial system], as well as more than 15 projects approved by the Bank of Spain, CNVM, General Insurance Direction and Pensions Funds resulting from big companies, Banks and Insurance Companies.

On the 2nd of February of 2021, entered into force the **Ministerial Order** related to the revolving credit, changing the Order ECO/697/2004, March 11, which regulated the Risk Central Information, the Order EHA/1718/2010, June 11, regulating and controlling the banking service and product publicity, as well as the Order EHA/2899/2011, October 28, related to the transparency and Customers' protection, establishing the solvency additional evaluation obligations and the commercialization information related to consumers' credits and its undefined duration.

In what relates to transparency, ASNEF had developed a protocol for the contract and commercialization of revolving credit, which WiZink adhered.

In 2021 the Capital Companies Law was modified, by the **Law n.º 5/2021, April 12**, in what regards to the promotion of large term priced shareholders' companies.

Also due to the volcanic natural disaster in Palma's Island, it was published the **Royal Decree-Law n.º 20/2021, October 5**, where were adopted urgent support measures for the reparation of the damage caused by the volcanic eruptions, as well as for the economic and social reconstruction of Palma's Island. For this reason and during the 3 months after September 19 2021, the right of withdrawal was suspended by a Consumers' Law and its complementary regulation, as well as all the due dates related to the Consumers' additional exercise rights contractually established.

In Portugal:

- March 2, June 6 and 21 October of 2021, GAFI up-dated the list of countries which present strategical deficiencies in terms of prevention of Money Laundering and Terrorist Financing, as well as the list of high risk jurisdictions [severe lacks in terms of AML&FT].
- In March 2021, it has been published today **Law n.º 11/2021** extending the validity of Collective Labor agreements for 24 months.
- **Decree-Law n.º 22-A/2021** [march 17 of 2021] - Documents validity extended until December 31, 2021 as well as another exceptional measures.
- **Law n.º 13-B/2021** [April 5 of 2021] - End of the suspension of the diligences and deadlines for the performance of procedural acts that were suspended, including procedural and administrative procedures that must be practiced within the scope of processes and procedures being held in judicial, administrative, tax, constitutional, auditors, courts and other jurisdictional bodies, arbitrations, public prosecution, Justices of Peace, alternative dispute resolution entities and tax

enforcement. It is also established the end of the prescription periods for all processes and procedures identified above that were also suspended.

- **Law n.º 32/2021**, define the new rules for General Contractual Clauses, preventing them of being considered abusive. Portuguese T&Cs should comply with the new rules.
- **Council of Ministers Resolution n.º RCM 70-B/2021** [June 4 of 2021] - remote working update as well as distance rules to be applied.
- **Decree-Law n.º 59/2021** [July 14 of 2021] - regime to be applied to phone lines communication for Consumers' contact [call center], it is settled as obligatory to publish and previously inform the process and costs associated to the contact telephone numbers made available to the Consumers. It is also published the category of numbers that could be used for Consumers' contact.
- **Decree-Law n.º 70-B/2021** - PARI & PERSI, which establishes the new measures & for the protection of weak financial situation of the Bank Customers, specially to the ones object of a bank moratorium. These Customers should benefit of a special protection under PARI & PERSI Regime.
- **Decree-Law n.º 65/2021** - regulates the Law n.º 46/2018, which establishes Cybersecurity Legal Framework, transposing the EU Directive 2016/1148 [measures to guarantee a common high level security of the Union networking and information] as well as the execution into the national legal system of the obligations resulting from the EU Regulation 2019/881 [implementation of the national cybersecurity certification].
- **Law n.º 88/2021**, published on the 3rd of November, which proceeds to the 4th change of the Law n.º 37/2014

and establishes the alternative & voluntary system of citizen authentication – “Chave Móvel Digital” – within the internet portal & websites [CMD]. This Law implements the automatisms & requirements for the citizens to access and benefit of the CMD. The Law updates some points in relation to precedent norm, having as an objective facilitate and agile the CMD acquisition.

- **Law n.º 75/2021** [November 18 of 2021], reinforces the access to credit and insurance contracts by people with previous health risk situations or deficiencies, forbidding discriminative practices and allowing the right of oblivion.
- **Law n.º 78/2021** [November 18 of 2021], prevention and combat against unauthorized financial activity and Costumers' protection.
- **Law n.º 79/2021** [November 18 of 2021], transposes the EU Directive n.º 2019/713 in order to combat the Cybercrime, Fraud and Counterfeiting of non-cash means of payment [settle a new number of crimes and its proceedings].
- **Law n. 83/2021** [December 6 of 2021], regulates the remote work, as well as labor accidents and professional illnesses.
- **Decree-Law n.º 109-B/2021**, settle the value of the minimum wage for 2022.

EUROPEAN COMMISSION, EBA GUIDELINES AND COMMUNITY DIRECTIVES

From a point of view of the Community initiatives we can highlight the following:

- **EBA GL 2021/02** - guidelines on customer due diligence

as well as the credit and financial risk factors that should be considered when assessing the AML and FT risk associated to individual business relationships and occasional transactions under article 17 and 18.4 of Community Directive 2015/849.

- June 10th of 2021, EBA publishes the reporting guidelines under PSDII, in what relates to major incidents [severe ones].
- **EU Regulation 2021/557 – European Parliament and Council, March 31 of 2021**, changes the Regulation [UE] 2017/2402 on the specific framework for simple, transparent, and standardized securitization to help the recovery from the COVID-19 crisis.
- EU Regulation 2021/1230 – European Parliament and Council, July 14 of 2021, which establishes the rules on cross-border payments aiming alignment of commissions within EEA, particularly regarding the transparency of currency conversion fees within the EU.
- On the July 20 of 2021, the European Commission has published the proposal for a Directive of the European Parliament and of the Council on the mechanisms to be put in place by the Member States for the prevention of the use of the financial system for the purposes of money laundering or terrorist financing and repealing Directive [EU] 2015/849.
- Also, on the July 20 of 2021, it is published a Proposal for a Directive in what regards to the access of competent authorities to centralized bank account registries through a single access point.
- On November 24 of 2021, **Directive [EU] 2021/2167 of the European Parliament and of the Council** of 24 November

2021 on credit servicers and credit purchasers and amending Directives 2008/48/EC and 2014/17/EU.

- **EBA/GL/2021/05**, these Guidelines have been developed based on Article 74 of Directive 2013/36/EU, which mandates the EBA to further harmonize credit institutions' governance arrangements, processes and mechanisms across the EU. The EBA Guidelines will apply to Competent Authorities across the EU, as well as to credit institutions on an individual and consolidated basis. Once the revised Guidelines will enter into force on 31.12.2021, the 2017 guidelines will be repealed.
- EBA publishes clarification on the application measures against the Covid 19 crisis, namely the recommendation for the extension of the moratorium, also including the requirements to classify the debt restructuring [among others].
- European Commission presents a **proposal for a regulation of the European Parliament and the Council laying down harmonized rules on Artificial Intelligence** [Artificial Intelligence Act] and amending certain union legislative acts. AI systems intended to be used to evaluate the creditworthiness of natural persons or establish their credit score, namely through establishing evaluation requirements such as data quality, technical documentation, registers maintenance, transparency, users' information supply, human supervision, precision, and cybersecurity.
- European Supervision Authorities [ESSAs] – European Bank Authority (EBA), European Insurance Authority (EIOPA) and European Market Share Authority (ESMA) have published a joint analysis of the implementation and operation of the **European Regulation 2017/2402 related to securitization**, including recommendations of how to face incoherence and challenges which affect the general efficiency regime

of the actual and in place securitizations.

- The European Commission presented its new proposal for a **Credit Consumer Directive**.
- Bank of Spain adopts as its own rules the **EBA/GL/2021/05 European Banking Authority (EBA) Guidelines on internal governance**.
- **The European Banking Authority (EBA) published its revised Guidelines on sound remuneration policies.**

BANK OF SPAIN

- **Circular 1/2021, february 28**, Bank of Spain, changes the Circular 1/2013, may 24, related to the Risk Information Central, as well as the Circular 5/2012, June 27, related to credit entities and payment service providers – transparency of the bank services and its responsibility on the loans granting. .
- **Circular 2/2021**, January 28, Bank of Spain, changing the Circular 8/2015, December 18, Bank of Spain, where credit institutions and its branches subject to the guaranteed deposit funds, should comply [inputs and information for the basis of calculation of deposit funds].
- Definition of the **guidelines criteria for the organization and operation of the Customer Service of Bank of Spain** supervised entities subject to the instruction ECO/734/2004, march 11.
- **Circular 4/2021, November 25, Bank of Spain - credit institutions supervised – market conduct models –** transparency and client protection as well as complaints register [BOE december 1, of 2021].

- **Circular 3/2021, May 13, Bank of Spain**, changes the definition of types of interests in reference to the Euro short-term Circular 5/2012, June 27, related to credit and payment services entities and providers – transparency of the bank services and loans credit supply [BOE may 17, of 2021].

BANK OF PORTUGAL

- March 5 of 2021, Bank of Portugal, publishes the BoP **Good Practices at Videoconference as an alternative procedure to identification elements evidence/ attestation**.
- April 21 of 2021, **Circular Letter n.º CC/2021/00000015**, it creates 3 new system services to send information to the AML BoP Supervision Area. The responsible compliance officer needs and should be a user of these 3 platforms/services. From the 1st of June 2021 onwards all communications [AML related] sent by BoP to the supervised credit institutions will be done through a specific AML platform in BPNet
- May 5 of 2021, it is published the **Circular Letter n.º CC/2021/00000020**, which provides the Financial Action Group [“GAFI”] communication. It is approved 2 documents: a) high risk jurisdictions subject to countermeasures as well as the jurisdictions with strategical deficiencies in terms of money laundering and terrorist financing; b) jurisdictions subject to GAFI increased monitoring.
- **Circular n.º 4/2021** – Insurance Supervision Authority and Circular Letter n.º CC/2021/00000046 – Bank of Portugal, requests to the entities verification of their internal control systems in order to prevent money laundering and/

or terrorist financing. Namely, the auxiliary information systems, the diligence duties (if accurate and capable of control, identify and prevent money laundering and/or terrorist financing). WiZink should duly comply with the monitoring and reporting duties.

- Bank of Portugal instruction **n.º 13/2021**, October 15 of 2021, changes the previous instruction n.º 54/2021, which regulated the Trans-European Automated Real-time Gross settlement Express Transfer system – TARGET2-PT.
- Bank of Portugal **instruction n.º 16/2021**, december 10 of 2021, it is established the information requirements for the effects of entities’ reporting in what regards to PARI & PERSI procedures.

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



4. Risk Management



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

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



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




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




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







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

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



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

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

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

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

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

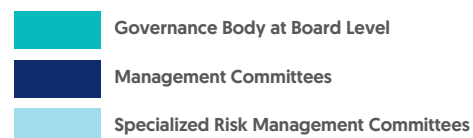
Risk type	Risk Management
<p>Financial crime risk</p>	
<div>  <p>This is the facilitation of money laundering, terrorist financing, breaches of economic and financial sanctions and bribery and corruption. WiZink is subject to the legal requirements of the EU and Spain. The Portuguese branch applies additional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

Additionally, during 2021 an analysis of the risks derived from climate change and environmental deterioration has been carried out, having concluded that they are not material for the Company.

4.2. Risk management governance

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

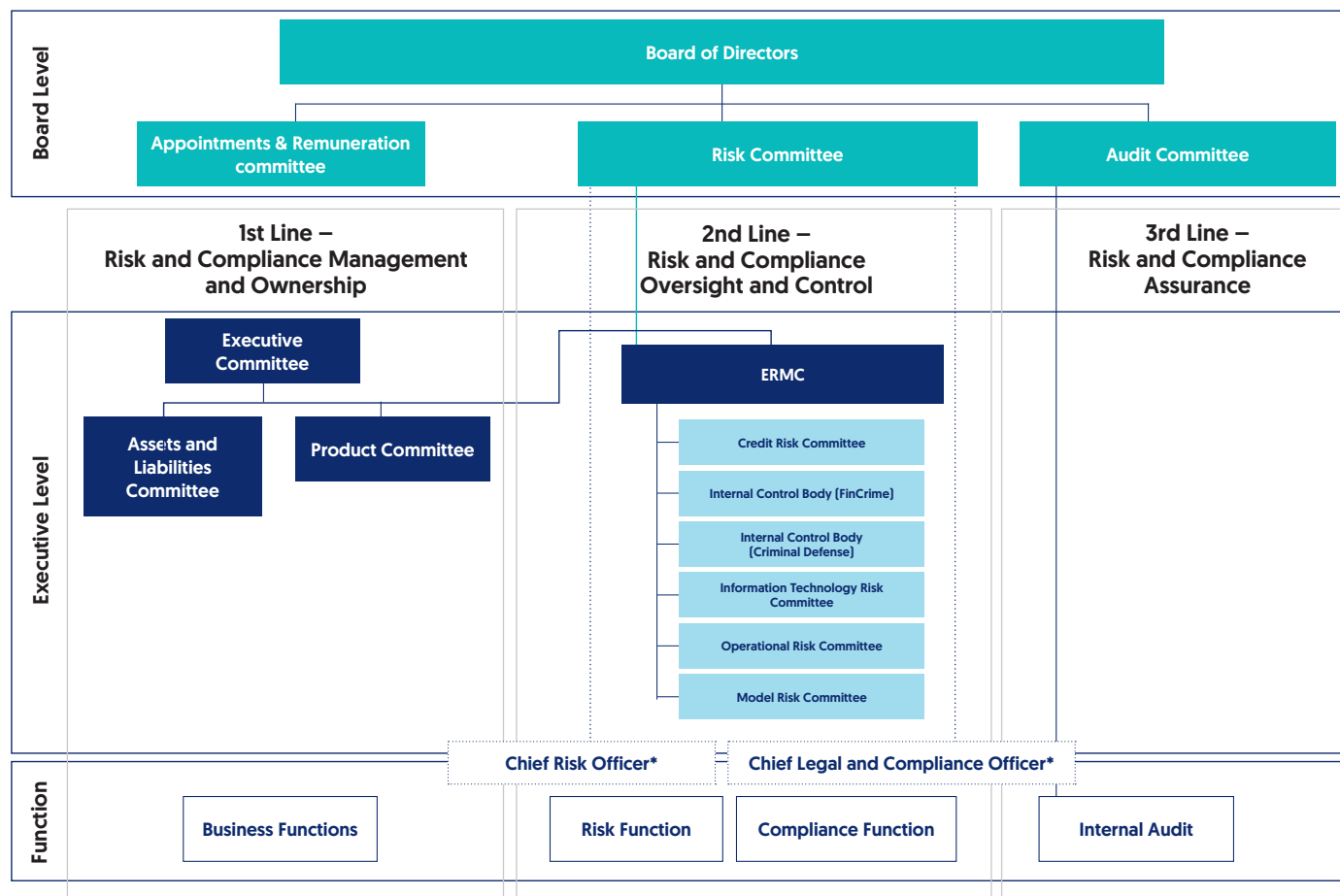
In addition to the three lines, the Board of Directors and the Audit and Risk Committees are responsible for the proper management and control of risks at the highest level of the organisation. This model follows the guidelines published by the Basel Committee on Banking Supervision in July 2015 under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



Scaling line:



* Executive Committee members



5. Fighting corruption and bribery



5. Fighting corruption and bribery

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

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

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

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.

During 2021 WiZink has made contributions to foundations and nonprofit entities amounting to 561.943,03€.

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

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

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

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

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

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

- In terms of products, it is limited to deposits, savings accounts, credit cards and Personal Loans (since October 2021) which are mostly classified as low risk in relation to money laundering and terrorist financing.
- New contracts can only be entered into with customers resident in Spain and Portugal.
- In general, only fund transfers from entities operating in countries, territories or jurisdictions in the SEPA area are allowed.

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

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

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

In 2021, the annual online training for the prevention of money laundering and terrorist financing was given in accordance with the established plan. Likewise, the UPBC [unit for the prevention of money laundering] has also attended seminars and online conferences given by specialized consulting firms and the regulator [SEPBLAC] itself.

5.2. Code of conduct and internal whistleblowing channel

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

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

The Code of Conduct defines, inter alia:

- **Specific rules to avoid corruption**, both among public officials and private citizens, forbid any delivery, promise or offering of any payment, commission, gift or remuneration, and always upholding a duty of care.
- **Guidelines to follow with respect to environmental protection**; 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 guarantee that all employees are adequately trained in occupational risk prevention matters and carry out their activity in a safe environment.



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

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

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

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 2021, no relevant incidents relating to discrimination, harassment, human rights or corruption were registered. Three anonymous complaints have been received through the whistleblowing

channel, one potentially for discrimination, which after being evaluated and investigated was closed without risk or necessary action, another for a potential violation of health regulations, which was also evaluated and investigated, and was closed without risk or necessary actions and a third for claims about the behavior of the manager's complainant. On the latter, a preliminary report was issued with the conclusion of the investigation and an additional evaluation is still ongoing.

5.3. Other policies in support of the Code of Conduct

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

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

6.Social and employee-related issues



6. 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 policies and control bodies, compliance with current legislation that apply in each labour field (equality, diversity, conciliation, prevention of occupational hazards, etc.) are guaranteed.

6.1. Employment

As of December 31, 2021, WiZink had 1,280 professionals. Of these, 806 are women [63%] and 474 men [37%], similar distribution as the previous year. In addition, WiZink provides 94% permanent contracts, and 80% of the workforce is between 30 and 50 years old. Below are the main quantitative data related to the WiZink workforce:

Total number and distribution 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	1190	96	938	156	16	22	254	227	480	191
Portugal	90	1	86	3	4	-	52	34	-	-

Total number and distribution of employment contracts by type

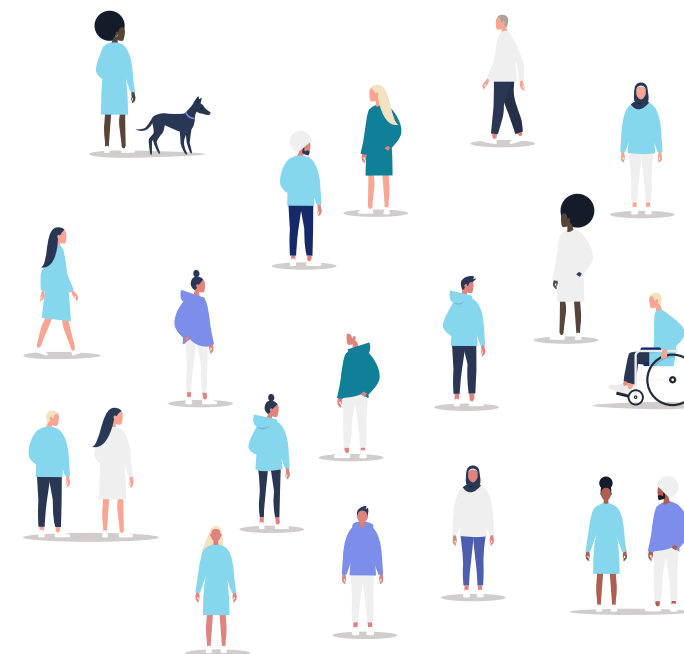
Gender	Age group	Permanent contracts		Temporary contracts	
		Full-time	Part-time	Full-time	Part-time
Women	Under 30 years old	30	13	9	2
	30-50 years old	452	152	24	14
	Over 50 years old	77	31	2	-
Men	Under 30 years old	28	6	4	5
	30-50 years old	330	37	9	6
	Over 50 years old	42	7	-	-
TOTAL		959	246	48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

Annual average and distribution of employment contracts by type

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

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

Professional category	Permanent contracts		Temporary contracts	
	Full-time	Part-time	Full-time	Part-time
Managers and senior executives	43	-	-	-
Employees in other categories	542	2	3	-
Clerical staff	351	265	53	87
TOTAL	935	266	54	87



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



Number of dismissals

Throughout 2021 there have been 62 dismissals in all WiZink legal entities. Leaves are broken down below by gender, age and professional category:

Gender	Age group	Professional category		
		Managers and senior executives	Managers and senior executives	Managers and senior executives
Women	Under 30 years old	-	-	3
	30-50 years old	-	4	17
	Over 50 years old	-	2	11
Men	Under 30 years old	-	1	2
	30-50 years old	3	7	6
	Over 50 years old	-	1	5

6.2. Remuneration

The WiZink Remuneration Policy, whose last review was carried out in 2021, refers to the corporate salary compensation criteria. In WiZink, salary compensation is adjusted to the market and the provisions of the collective agreement that is applicable in each legal entity are respected in all cases, therefore exceeding the minimum interprofessional salary in all cases. Below are the average remunerations by gender, age and professional category:

The salary gap in WiZink at a consolidated level is 13.11%, mainly due to a greater presence of women in the positions identified for the purposes of the report with the category of "Clerical staff", and which are positions with usually lower remuneration. Specifically, 71.5% of the employees identified as "Clerical staff" are women, which largely determines this deviation. On the contrary, there is a great balance between the employees identified as "Managers and senior executives" who are women (47.6%), and between those identified as "Employees in other categories" (54%).

To calculate the salary gap, the median of men and women has been calculated, weighting the number of employees of the different subsidiaries of the Company.

With regard to the average remuneration of directors and managers, on July 2021 the Entity's annual general meeting, approved the remuneration policy for the members of the Board of Directors. It should be noted that only the services provided by the members of the Board of Directors who are considered independent and executive are remunerated.

The independent directors are entitled to a fixed remuneration established on an annual basis at the annual shareholders general meeting, and to the reimbursement of the expenses incurred during 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 31 December 2021.

Professional category	Age group	2019		2020		2021	
		Women	Men	Women	Men	Women	Men
Managers and senior executives	Under 30 years old	-	99.764 €	-	-	-	-
	30-50 years old	184.958 €	170.906 €	152.066 €	144.222 €	182.482 €	165.725 €
	Over 50 years old	151.580 €	172.225 €	141.583 €	139.556 €	168.106 €	217.114 €
Employees in other categories	Under 30 years old	45.304 €	45.446 €	34.500 €	42.652 €	32.837 €	45.249 €
	30-50 years old	47.180 €	54.257 €	44.611 €	50.302 €	50.607 €	56.067 €
	Over 50 years old	59.544 €	61.630 €	49.528 €	60.829 €	58.354 €	69.100 €
Clerical staff	Under 30 years old	15.472 €	20.622 €	17.003 €	20.626 €	17.136 €	17.948 €
	30-50 years old	18.038 €	21.402 €	19.192 €	23.108 €	19.164 €	20.381 €
	Over 50 years old	17.547 €	23.425 €	19.670 €	21.466 €	20.369 €	19.961 €

Includes annual base and variable salary (annual bonuses and incentives) paid in 2019, 2020 and 2021.

6.3. Organization of work

Due to the pandemic, teleworking was implemented at WiZink as an occupational risk prevention measure. To do this, a large investment in time and material resources was made by WiZink.

Currently, the workforce is gradually returning to the workplace. However, the health crisis situation has not ended, so preventive measures continue to be implemented in the workplace, such as the separation of workstations and, therefore, the limitation of their use.

As a consequence of the above, we currently find that the WiZink teams take turns going to the office depending on their needs. In this way, employees are currently providing services under a hybrid work model, which combines the virtues of face-to-face work with the benefits of working from home some days of the week.

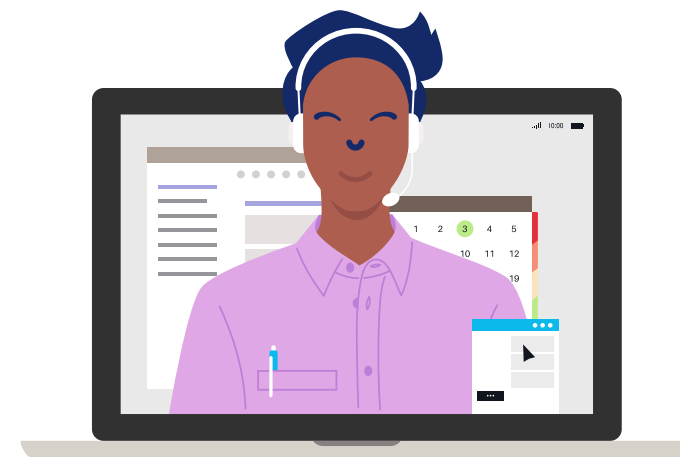
Additionally, the internal flexibility measures implemented prior to the pandemic situation are maintained at WiZink, such as the one related to the flexible work program, whose main advantages are offering employees mobility to work in unconventional spaces and flexibility to do it at different times. Flextime is a solution designed so that employees have the opportunity to work their hours before or after the working day, and reduced hours allow employees to work fewer hours than the established ones, with the corresponding proportional reduction in salary.

So that employees can provide services from their homes, in those jobs whose functions require the use of the following work tools, WiZink guarantees the provision of:

- Laptop and company mobile phone, which allow them to access e-mail remotely.
- *Microsoft Teams* is installed on laptops, which can be used to send and receive messages, to make 1x1 or group calls or video calls and to participate/organize meetings.
- Office 365 Cloud, which allows access to files, folders and SharePoint, at any time and from anywhere.

In compliance with Spanish regulations on the matter, WiZink implemented in WiZink Bank S.A.U. and WiZink Gestión S.L., in June 2020, the working day registration tool, as well as the digital disconnection protocol. Both documents were consulted with the workers' representatives, making the companies the decision to implement them as an agreement with the social part was not possible. In relation to both protocols:

- The working hours registration tool, as well as its organization and documentation, complies with the provisions of both the Workers' Statute, as well as the sectoral agreements applicable to WiZink entities that have been published to date, as occurs with the agreement on the registration of working hours in the Banking sector. Furthermore, in some cases WiZink's internal policy improves what is established in the current regulation, establishing additional obligations for the company, such as the delivery to the legal representation of the workers of the working hours records on a monthly basis, the delivery of these reports in telematic support, etc.
- Regarding the digital disconnection protocol, it was also implemented unilaterally in the entities and its purpose is to make employees aware that they can make use of the discretionary right to digital disconnection at all times, and this circumstance cannot have negative consequences - for example, in terms of promotion or



remuneration - for them. This protocol is also applicable in Aplazame.

All the documentation related to the working hours registration and the digital disconnection - including the protocols, training videos, user' guide to the use of the working hours registration tool and frequently asked questions - is available to employees on a specific site created in the Intranet.

Both protocols have been equally implemented in Iberalbion.

Additionally, we must indicate that, in the case of the employees of the group from Aplázame, another series of measures are adopted that favor conciliation, such as the fact that, in the labour calendar itself that is published every year , reference is made to the establishment of flexible hours and the intensive schedule during summer and every Friday of the year, as well as days with reduced hours [5 hours are worked on December 24 and 31].

6.4. 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.

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.

Annually, WiZink carries out the following Health Promotion activities

March 2021: Cardiovascular Risk Prevention Week.

Wizink promotes actions to raise awareness about our ability to influence the main risk factors involved in most cardiovascular diseases, such as smoking, high cholesterol levels, hypertension, uncontrolled diabetes, obesity and sedentary lifestyle. During this week, Wizink proposed a calendar of activities to promote awareness and health at work within the company, with various actions still conditioned to the situation caused by COVID-19 [WEBINAR on the prevention of CARDIOVASCULAR diseases; GO RED FOR WOMEN; Healthy Recipes Contest; Measurements of Cardiovascular Risk Indicators].

October 2021: European Week for Safety and Health at Work

In the month of October, WiZink participated in the European week of Safety and Health at Work, this year being dedicated to raising awareness, through a playful environment, in the creation of healthy habits and, with it, promoting the health of employees trying to directly influence the reduction of absenteeism rates:

- Ergonomics [postural habits]
- Emotional well-being
- Nutrition

During this week WiZink proposed a calendar of activities with various actions: Measurements to assess cardiovascular risk; Healthy Recipe Contest; Improve your postural hygiene

in the office; Webinars: Positive Psychology, Stopping Stroke, Ginástica Laboral (in Portuguese); Stretching workshop in the office; Neck-back massage: micro-sessions of 10 minutes.

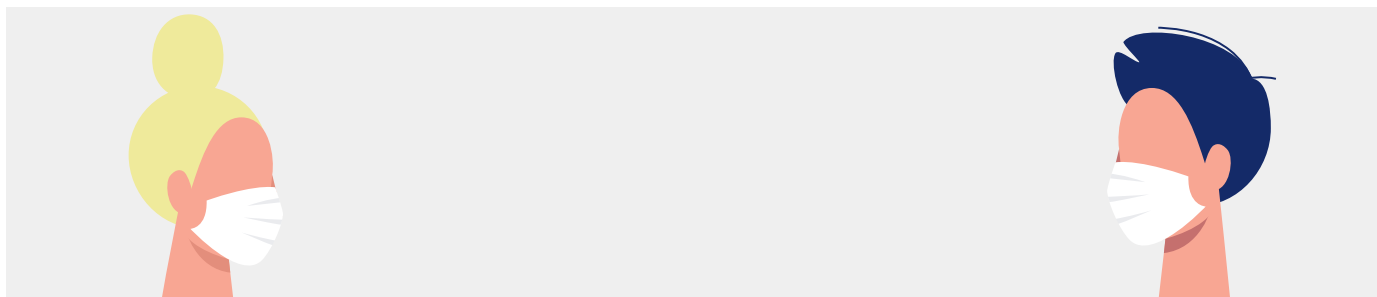
Flu vaccination campaign

In addition, WiZink offers various services to guarantee the health of its employees at work. For example, in Spain the bank has a medical assistance service, it has four semi-automatic external defibrillators in its facilities and a physiotherapy service. Likewise, a free Valora Prevention health card is offered to benefit from the advice of health specialists. There are also benefits for pregnant women such as a parking space available from the 20th week of pregnancy. Additionally, employees have at their disposal fruit bowls distributed in all plants with seasonal fruit.

Lastly, in 2016, the bank adhered to the Luxembourg Declaration, for which it has integrated the basic principles to promote and manage occupational health.

The situation caused by Covid-19 during this year 2021 has forced WiZink to carry out the following activities:

- Intermediate stage/Return: Since October 2021, face-to-face and remote work is combined depending on the needs of each area.
- Continuous training and information as support, awareness and education for employees.
- Regular meetings and notifications to the Health and Safety Committee, keeping them informed of developments and the current situation.
- Creation of the Coronavirus Committee "Contingency Plan", integrated by different areas for the operational management of the crisis.
- Contingency Plan- Transitional Work Plan until the end of Covid-19: periodic review and updating when appropriate.
- Update of the Occupational Risk Assessment including the risks derived from Covid-19.
- Voluntary evaluation of teleworking workstations and subsequent transfer of equipment (ergonomic chairs, monitors, ...) for the ergonomic adaptation of workstations.
- Adaptation of facilities to comply with current regulations.
- Procedure for the purchase and delivery of EPIS [masks, ...]
- Evaluation and monitoring of positive Covid-19 cases reported [detection of close contacts...]
- Evaluation of groups vulnerable to COVID-19. Employees who belong to the group of vulnerable to COVID-19 inform the WiZink Prevention Service of their situation to carry out a specific evaluation of their situation and assess whether it is necessary to carry out a specific medical examination in the External Prevention Service, to that they confirm to us if they are SUITABLE for the development of their work and if it is necessary for them to remain in telecommuting.



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Introduction	Materiality study and ESG strategy	Business model	Risk Management	Fighting corruption and bribery	Social and employee-related issues	Commitment to society	Respect for human rights	Environmental matters	EU Taxonomy	Appendix



The breakdown of occupational accidents and the rates by legal entity are as follows:

2021	WIZINK BANK	WIZINK GESTION	PORTUGAL	IBERALBION
Frequency rate	0	0	0	0
Incidence rate [*]	0	0	0	0
Severity rate [**]	0	0	0	0

[*] For the calculation of the Frequency and Incidence Rates, accidents with sick leave are taken into account, excluding commuting accidents.

[**] For the calculation of the Severity Index, the days lost due to accidents are listed (excluding commuting accidents).

In 2021 there have been 10 accidents (including commuting), 6 of them in the workplace. There have been no occupational diseases in this period.

Below is a breakdown of the accidents by legal vehicle and gender of the injured:

	WIZINK BANK		WIZINK GESTION		PORTUGAL		IBERALBION	
	M	W	M	W	M	W	M	W
Number of Accidents	1	0	0	1	0	0	2	6
No. of Accidents in itinere	1	0	0	0	0	0	0	3
No. of Accidents non in itinere with sick leave	0	0	0	0	0	0	0	0
No. of Accidents non in itinere without sick leave	0	0	0	1	0	0	2	3

In 2021, absenteeism at a consolidated level meant 133,406 hours not worked (equivalent to 19,058 days not worked), which represents 6.2% of the total hours worked (1.25% of the days worked).

6.5. 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, generating a feeling of involvement and commitment.

An open dialogue with workers' representatives is guaranteed in those entities that have them, based on transparency and mutual trust. Formal and informal meetings with unions are held regularly, whenever requested by one of the parties. Likewise, agreements which both parties consider benefitting the interests of the employees are reached, improving what is established in the current regulation. As an example of this, we could mention the Collective Agreement on Homogenization of Working Time at WiZink Bank S.A.U. of March 20, 2018, which is renewed annually and whose purpose is to provide an intensive schedule working day on some days that are of special interest to employees [i.e. days prior to holidays, non-school days but working days, in which the children are at home, etc.].

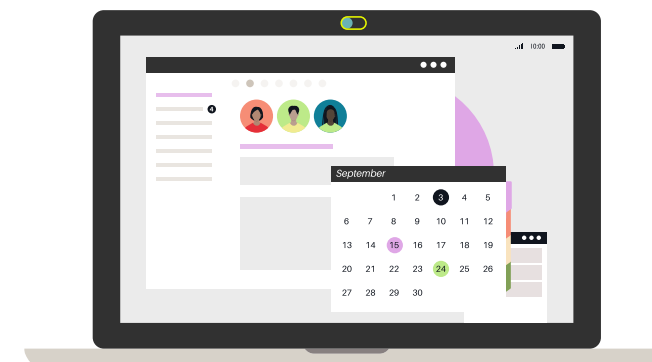
In all matters related to employees, WiZink acts with full responsibility and in compliance with all national and international employment standards [European Union law and International Labour Organisation conventions signed by Spain and Portugal].

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 measures regarding health and safety at work are included in the different collective agreements applicable to WiZink. In this regard, the Occupational Risk Prevention Department ensures compliance with the various provisions on this matter. In addition to this, this department actively works to promote numerous health promotion actions (See section 6.4. Health and Safety). In Spain there is representation of workers in health and safety committees.

6.6. Training

WiZink’s Learning and Development Model emphasizes the responsibility of each employee for their own professional career and development and is based on 3 fundamental pillars: learning on the job, learning through relationships and formal learning.

Derived from this model, WiZink has launched the 2021 Training Plan, aligned with both business objectives and the needs arising from remote work.

It is organized into 3 large blocks: Regulatory Training, specific technical training and project management training and training in behaviors, skills and leadership.

Through the leadership program for Managers launched this year, we have offered team managers a different and collaborative way to learn, to get to know each other better and to share the best leadership tools and practices, which are essential for fostering the Organization and people. Iberalbion’s training actions have focused on the one hand, on providing team managers with tools for the management and leadership of their teams and, on the other, on the preparation of new hires and reinforcement training and new procedures for existing workers in Call Center services, Collections, Negotiation Unit, SCCU and Operations area.

On the other hand, the training plan for the group of employees from Aplázame is based on a flexible and ad hoc model for the employees, where they themselves, advised by their Manager, decide their development to establish the guidelines for their growth in the company. This plan is included within Aplázame’s Talent and Development Framework. Complementing this technical training, regular regulatory training actions are also carried out for all these employees.

During 2021, the following hours of training have been given by professional category. The total number of hours includes the training hours of the legal vehicles WiZink Bank, WiZink Gestion, WiZink Sucursal en Portugal and Iberalbión.

Professional category	Number of hours
Managers and senior executives	798
Employees in other categories	3.870
Clerical staff	27.695
TOTAL	32.363

6.7. Universal accessibility

WiZink has 12 people with disabilities among its employees and offers a completely accessible environment free of 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 or the intermediation service to organize the business trips for WiZink employees. 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. In Iberalbión there is a certificate of exceptionality granted in September 2019.

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

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

6.8. 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.

One of the most outstanding aspects of the bank is the balanced representation on its Board of Directors and management team: more than a third of the Board of Directors, and half of the members of the Executive Committee are women. In addition, the company promotes equality and equitable remuneration between men and women. The salary differences that appear in the list of salaries for men and women are due to the diversity of populations and functions in WiZink, since the most operational functions [customer service, collections and operations], which have a lower remuneration, are occupied in a high percentage by women.

WiZink has equality plans, some of which come from the entities to which the employees belonged in the past and which it intends to update in the near future. Others, such as the one applicable to Iberalbión, were recently negotiated with the legal representation of the workers and have been in force since February 11, 2019. Both the WiZink Bank and WiZink Gestión's equality plans are in process. of negotiation within the respective Equality Commissions of these entities and it is expected that consolidated documents will soon be available. In any case, there are, at all levels, different measures that favor flexibility and balance between personal and family life, with special attention to situations arising from maternity/paternity leave.

At WiZink we have a specific 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. In the case of Iberalbión employees, they have a procedure specifically negotiated for them, and in force since February 11, 2019, having been incorporated as part of the Equality Plan.

The objective of the procedure against harassment 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.

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



7. Commitment to society



7. Commitment to society

7.1. Sustainable development commitments of the Company

WiZink activated its strategy in 2021 by supporting two company investment projects that started in 2019 and focused on improving the lives and integration of disadvantaged groups, thanks to innovative social initiatives linked to the restaurant sector. These projects are the result of alliances with the A LA PAR Foundation, which focuses in Spain on the rights and full participation of people with intellectual disabilities in the society, and with the Crescer Association, an organisation founded more than 18 years ago in Portugal that promotes the inclusion of vulnerable groups in the community.

In addition, it is especially relevant that both projects are developed near the WiZink offices in Madrid and Lisbon, and therefore they are aligned with the commitment to being close and focus on everyday life and gestures that change people's lives:

- **'The Rodilla de Arturo Soria' in Madrid. .**

The A LA PAR Foundation franchised a Rodilla restaurant, and it became the first restaurant in Spain managed and looked after by staff with intellectual disabilities. WiZink supports this project by facilitating the training of the people who work there, and in 2021 WiZink contributed through a financial donation [€ 10,000] destined to support the training and launch of the new Rodilla catering service, scheduled for 2022, which aims to increase the employability of 6 people with intellectual disabilities. Personalized training will be carried out, adjust to the needs of each participant that will allow them to learn the different professional profiles that are carried out

in a Rodilla restaurant, providing them with the necessary professional skills to obtain a competitive performance in the current job market as catering assistants.

- **'É um Restaurante' in Lisbon.**

WiZink is one of the entities which finance the Crescer Association project. It is a restaurant that aims to offer training and create job opportunities in the catering sector for homeless people or people who have lived on the street. Thanks to this project, the people who work in the restaurant are able to improve their quality of life, get an opportunity to enter the labour market and, therefore, their inclusion in society is strengthened. The restaurant, which has closed to the public during the pandemic, has rethought its activity during this period in order to prepare meals delivered on the streets of Lisbon, to homeless people. The project already has a total of 40 people integrated into the É UM RESTAURANTE training, 60,000 meals produced and distributed, and 15 people integrated into the labor market after completing the training. In 2021 WiZink has supported the project through a financial donation [€10,400], which will allow the restaurant to reopen, with a renovated and more welcoming space.

Every year at WiZink it is a tradition to organize a Christmas market for employees, made with the corporate gifts received, where the Company collects money that it allocates to local non-profit associations. In these two years of pandemic, characterized by remote work and with a reduced presence in the Madrid and Lisbon offices, it has been decided to donate the gifts directly to the NGOs Asociación Talismán and Asociación CRESCER, who will use them in their own markets, at Christmas parties, or as gifts to people in need who are supported by their projects.



Lastly, the sponsorship of the WiZink Center in Madrid also has a significant impact on the promotion of sport and culture. The financing received by venue from WiZink contributes to the improvement of the venue in terms of security and conditioning so that a multitude of relevant cultural events can be held there, which indirectly contribute to job creation and the local economy.

This year, and since April, WiZink Center has become a mass vaccination point, chosen by the Community as a resource to expand vaccination capacity towards immunization.

In 2022, WiZink will also contribute with its investment in projects related to minimizing the Center's impact on the environment.

7.2. Subcontractors and suppliers

WiZink has a purchasing and supplier management policy in place called Supplier Selection and Management Policy, updated in September 2021. It establishes the guidelines for selecting and managing external suppliers, in order to guarantee that there are adequate controls for protect the assets, reputation and interests of WiZink and its customers.

In the case of a bank, the management of suppliers is especially important when any of the critical functions of the company are outsourced, so the policy was developed to facilitate the following objectives:

- Optimisation of suppliers to maximise economic leverage and risk supervision capacity.
- Standardise supplier selection and management criteria.
- Document the requirements for the selection and management of suppliers.

- Have a standard and consistent contract that meets the applicable legal and regulatory requirements.
- Gather accurate and relevant supplier information that can be shared across the company.
- Comply with the WiZink's Code of Conduct and applicable policies, as well as the legal and regulatory requirements applicable in all jurisdictions.
- Act in accordance with the socially responsible practices of the sector.

Effective supplier selection strategies and management of supplier-related risks are critical for WiZink to meet its operational objectives and mitigate key risks, including legal and compliance risk, operational risk, financial risk, strategic risk, technological risk and reputational risk. For this reason, in all cases a due diligence is carried out prior to hiring, and an annual review of critical suppliers is carried out. Additionally, the bank has successfully passed the Internal Audit Review on outsourcing essential business functions or services to external providers 2021.

Suppliers are divided into four categories according to the Company's risk exposure. Due diligence and supplier auditing processes are subject to their segmentation, so that the more critical the supplier, the more robust the control applied to it. The most critical suppliers are monitored to identify possible incidents, despite the fact that there are no suppliers with relevant risks related to the environment, society, or equality. Each supplier has an assigned service owner who, as established by the policy, carries out the relationship with suppliers, including performance management and an annual risk assessment and review. These activities include daily dealings with vendors regarding support and service delivery. In 2021, 341 suppliers were evaluated.

Due to the activity of the company, its suppliers provide mainly auxiliary services for the development of financial activity such as advice or technological services. Although some of the contracts already included "sustainability" clauses focused on health, safety, and the environment, in 2020 a clause was included in the standard contract template which includes social and/or environmental criteria for general management of suppliers.

Lastly, WiZink contributes to the development of employability and local development by counting on local suppliers which represent 88%.

7.3. Customers

Complaints management

WiZink has a Customer Service [hereinafter CS] department that reports to the Secretary of the Board of Directors and the Head of 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: Bank of Spain and the General Directorate of Insurance and Pension Funds. In Portugal: 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, through email and postal mail [both ordinary and certified] sent directly to WiZink or through complaints filed with the Bank of Spain. The client, after WiZink's response, or if they have not received a response, can go

to second instance to claim through 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 prior to complaining to the regulator.

Detail of complaints received is shown in the following table:



Key data	Country	
	Spain	Portugal
Total number of customer complaints received	29.756	3.329
Number of complaints settled in favour of the customer	2.257	315
Number of complaints settled in favour of the bank	27.924	2.788
Number of complaints pending resolution	2.019	171
Number of complaints not admitted	11.007	55

WiZink has teams specialised in the management of claims and complaints, who process them by means of a systematised treatment of registration, management, analysis and control of claims and complaints received, and classify them according to the different types. All this makes it possible to identify the causes of customer dissatisfaction, the problems and, as a final result, the appropriate solutions for each case.

WiZink understands claims and formal complaints as those made by clients, non-clients, and local regulatory bodies, and addressed to CS. With the aim of guaranteeing the protection of clients' rights, and according to the transparency and clarity that govern the company's activity, ensuring diligence and good banking practices, the criteria applied in all resolutions are based on 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.

CS adopts decisions autonomously and independently, informing the different business units of those actions that require a review or adaptation to the regulations.

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

- Identify errors or omissions on the part of the bank and evaluate the impact they have had on the client, both financially and non-financially.

- Putting oneself in the "customer's shoes" and understanding their perspective, always putting customers at the centre of decision-making.
- Adopt a historical approach in the analysis of each complaint, taking into account all the points of complaint raised by the client, the facts of the case and all the available evidence. This allows for a complete picture of the customer's circumstances, as well as their complaint as a whole.
- The resolutions are complete, objective, fair and based on the facts.
- Identify the needs of customers, considering all the facts that have motivated the complaint.

Some of the claims filed by clients lead to legal claims. The nature and impact of these claims on the bank's financial position and results of operations are described in more detail in Note 21 and 42 of the Consolidated Financial Statements.

Customer safety measures

Help clients in managing their finances

In the day-to-day life of customers, WiZink keeps customers informed about their products, use and expenses through clear and accessible contractual terms and conditions, provides an up-to-date information via the App and sends customers a detailed monthly statement, and alerts so customers can monitor their spending level and identify fraudulent use.

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

In Portugal we also offer the “Unido” platform, a PFM App that facilitates the daily management of all clients’ accounts and financial products in one place, regardless of the bank with which they are contracted.

WiZink works to ensure the safety of its customers through various mechanisms related to money management and online behaviour and has designed a comprehensive financial education program - “Finanzas Descomplicadas, acknowledging that customers have different information needs, when it comes to understanding and managing their products and services. This program provides a wide range of information, offered in a clear and simple way, providing transparency, and promoting the use of products and services in a planned and responsible way. It explains the use of the card, basic financial concepts such as the differentiation between a loan and a card, optionality and how to use payment flexibility, how to repay the debt and the available payment channels and more, and is offered through a Blog, public website, social media and direct digital communications.

In 2021 WiZink has launched a new line of products starting to market personal loans. The range of personal loans seeks to adapt to the vital moment of each client, contemplating a generic purpose adaptable to any objective and specific purposes, with price advantages so that our clients can adapt to their objectives, in specific phases of their lives, among them a ECO destination that reinforces WiZink’s commitment to the environment.

Fraud prevention

For the bank, one of the main risks for the safety of its clients is fraud. Therefore, WiZink has a robust fraud prevention system. If unusual movements are detected with the WiZink credit card,

the bank contacts the customer to confirm these transactions and to carry out a quick blocking of the card if necessary, to avoid possible fraud. In addition, the holder will not be responsible for the financial consequences resulting from the use of a lost, stolen, or falsified card, as long as there is no negligent behaviour on the client’s side and that the customer has made the corresponding report of theft of his card.

Cyber-threats have become more frequent and sophisticated during the Covid-19 pandemic, due to society’s greater exposure to digital, making fraud the most present problem. In 2021 WiZink has reinforced informative and educational communications to its customers, alerting them to the risks to which they are susceptible, and informing them of practices to follow to be safe.

Since January 2021, the online purchases of WiZink cardholder customers have been reinforced with more security thanks to the implementation of the Double Customer Authentication system, or SCA [Strong Customer Authentication], which more robustly identifies the person that performs an online payment operation and, therefore, reduces the chances of fraud.

In 2021 WiZink has launched the Click Card, a new product with cybersecurity coverage for those consumers who are more exposed to this type of risk due to their purchasing behaviour.

Free insurance

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

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

Mobile Payments

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

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

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

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

Helping our customers through the pandemic

The pandemic brought great changes to our reality and the lives of our clients, threatening their health, and forcing everyone to change their individual, social, professional and financial habits for protection or as a consequence of Covid-19. WiZink has quickly adapted to evolve its ways of working and support emerging customer needs to adapt to the new reality, focusing on:

Ensuring Service continuity

We have ensured a rapid evolution to remote work, with the appropriate tools to continue offering a quality and safe service. All our customer service centres have remained fully operational.

Helping customers bank remotely and accelerate digital change

Covid-19 has made it even more important for people to be able to bank remotely, prompting WiZink to accelerate its digital capabilities, offering remote access and extended services, while maintaining control and security of its customers. We promote the use of our online banking among customers through the Web or the App. The cap for contactless payments was increased to €50, mobile payment tools are offered [Apple Pay, Samsung Pay, Wallet] and MBWay was launched in Portugal, expanding the range of remote payment and money management solutions.



Supporting customers through the pandemic crisis

Following the publication of the new guidelines published by the EBA on the moratorium that allowed the deadline to be extended until March 31, in accordance with a series of requirements, WiZink made available to its clients during the first quarter of 2021, the private moratorium designed in May 2020:

- 3 or 6 months Moratorium, to be chosen by the client, in which, a small monthly payment corresponding to 0.5% of the outstanding balance is required (excluding instalment products, if any). At the end of the moratorium, the customer returns pay their bills again, increased by the amount corresponding to the sum of the minimum bills not paid during the moratorium, deferred in instalments at 0% interest and within the term chosen by the customer, between 12 to 36 months
- La Palma Volcano Moratorium: 6 months moratorium on the payment of the receipt, without generating interest. From November 21 to March 2022.

7.4. Tax information

Consolidated Group information:

Profit before tax (thousands of euros)	España	Portugal	Total
WIZINK GROUP	[363.133]	100.048	[263.085]
TOTAL	[363.133]	100.048	[263.085]

Taxes paid (thousands of euros)	España	Portugal	Total
WIZINK GROUP	[12.332]	[33.940]	[263.085]
TOTAL	[12.332]	[33.940]	[46.272]

In 2021 WiZink has not received any Government grant.

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



8. Respect for human rights



8. 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 organization's values and ethical principles, the good corporate governance, and professional ethics of its employees. Additionally, as a sign of relevance of ethics in WiZink, the company considers human rights in the corporate risk map.

WiZink has a zero-tolerance 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 anonymity of the whistle-blower if requested.

In 2021 there were no cases of human rights violations reported through the internal whistleblowing channel, neither there were any laws or regulations infringements in relation to this matter, although one complaint of potential discrimination has been received through the whistleblowing channel, that after being evaluated and investigated was closed without risk or necessary actions, and another complaint due to claims about the behavior of the manager's complainant. On the latter, a preliminary report was issued with the conclusion of the investigation and an additional evaluation is still ongoing.



9. Environmental matters



9. Environmental matters

WiZink's commitment to the environment is reflected in the design of its offices, where sustainability is a reference value. The buildings in Madrid, Zaragoza and Lisbon have highly efficient energy facilities, and as a tenant, WiZink has contributed in obtaining the LEED [GOLD] certification in its Ulises building in Madrid, a voluntary certification that underlines the building's solid commitment to a more sustainable construction, which has economic, environmental and social benefits. In addition, WiZink has a preventive maintenance plan for all facilities, as well as an annual property budget [2021 Plan] for each building.

At the Zaragoza facilities, as a result of the energy efficiency audit carried out in 2020, the power contracted in 2021 has been reduced by 38%, and LED-type lighting has been included in the changes made. Likewise, preventive maintenance of the refrigeration equipment has been carried out and work has begun to change the general UPS, for two less polluting ones, with a minimum volume of batteries. Likewise, four electric chargers for hybrid/electric vehicles have been installed in the parking of the Zaragoza building.

Regarding company vehicles, all the new contracted vehicles have been Hybrid, ECO or 0 emission. Likewise, during 2021 the installation of new fast charging stations for the Bank's fleet has been promoted in the Ulises building in Madrid. In line with the Company's strategy, work is also being done to promote environmental awareness through daily actions such as the dissemination by Human Resources of internal information and ideas to improve daily behaviour with the environment that surrounds us.

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

Due to the digital activity and the WiZink sector, the current and foreseeable effects of the company with respect to the environment and climate change present a low risk, so no specific measures have been taken in relation to this.

9.1. Sustainable use of resources

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

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

The total electricity consumption of WiZink in 2021 was 2.886.387 kWh, 20% less than in 2020.

The percentage of renewable energy that we are using varies depending on the building:

- Ulises and Zaragoza: 16% Renewable Energy, High efficiency Cogeneration 5,4% and Cogeneration 9,1%. Cogeneration is the procedure by which electrical and thermal energy is obtained simultaneously, this gives greater energy efficiency.
- Colombo: The sources of energy consumed are generated in the following way, Natural Gas 48%, Cogeneration 15%, Hydro 10% and Renewable 17% - these values are average values.
- Aplazame and Lendrock: Renewable 43%, High efficiency cogeneration 3,5%, Cogeneration 6,9%, the largest sources of energy are generated through natural gas and nuclear around 20%.

	2021	Measure
Energy consumption		
Direct (Electric Power)	2.886.387	Kwh
Scope 1 TnCo₂ (Gas, Gasoline, Diesel)		
Scope 2 TnCo₂ (Electric Power)	84	TnCo ₂
Alcance 2 TnCo₂ (Energía Eléctrica)	613	TnCo ₂

As WiZink is a company with a presence in Portugal and Spain, in 2021, due to Covid-19, fewer business trips have been made. WiZink has implemented tools such as TEAMS, through which it encourages videoconference meetings.

TRAVEL	
Employee travel (km)	62.048
Emissions (ton. CO₂)	18,27

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

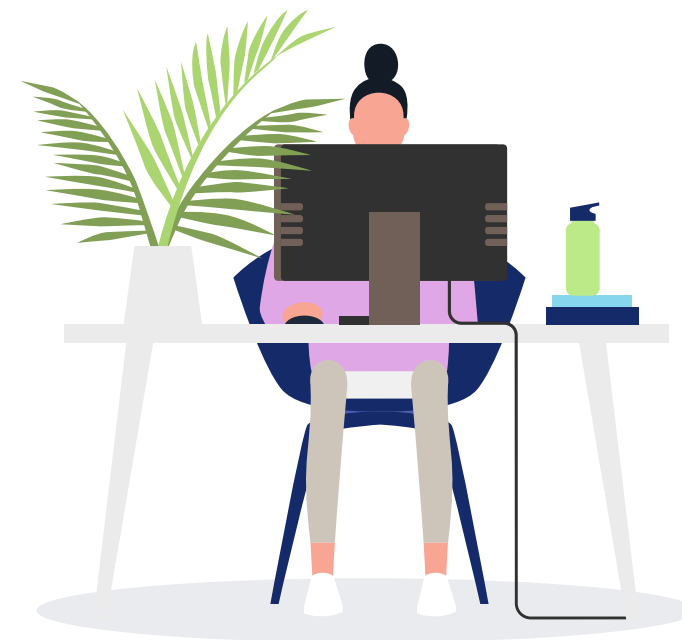
Other resources consumed:

WiZink promotes the reduction of other resources consumed such as water and paper. To minimise water consumption, WiZink has installed water flow regulators on taps in its offices. The reduction percentage compared to 2020 is 19% in terms of water consumption.

	2021
Water consumption (m³)	6.896
Paper consumption (kg.)	4.804

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.



9.2. 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.

Also, WiZink 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 electricity, 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. In 2021, the Madrid and Lisbon offices sent 212,6 tonnes of paper and cardboard respectively to be recycled through an authorized waste manager.

WiZink is equally concerned about the waste generated by the cards used by customers. Our card provider complies with Royal Decree 110/2015 on waste electrical and electronic equipment known as WEEE (WEEE), and is registered in the Comprehensive Industrial Registry with reference 6893, within the special section for EEE producers (RII -AEE), where it updates the data on a quarterly basis.

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



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

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



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



10. EU Taxonomy



10. EU Taxonomy

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

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

	Indicators	%
I1	Proportion of the Company's asset financing and investments in taxonomy-aligned economic activities as a proportion of total assets	0,03%
I2	Exposure to central governments, central banks and supranational issuers as a proportion of total assets	27,33%
I3	Exposure in derivatives as a proportion of total assets	0,02%
I4	Proportion of exposures to EU financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets	0,07%
I5	Proportion of the Company's trading portfolio and on demand inter-bank loans on the total assets	0,00%

During 2021, WiZink has reviewed its ESG strategy taking into account the nature of the entity to focus on those aspects in which it is possible to generate a greater impact.

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

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

The indicators are considered as follows:

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

WiZink's financing portfolio has the following types of personal loans that would be integrated under the activities categorized as aligned to the Taxonomy: Eco loans (renewable energy financing) and Reforma loans (housing rehabilitation financing), both launched at the end of 2021. Within the ESG plan for 2022, WiZink plans an initiative for the development of products with ESG purposes, through which it is expected to promote the growth of both products.

Regarding the investment portfolio, the entire fixed income corresponds to public debt (Spanish and Portuguese Public Treasury) and public administrations (Comunidad de Madrid

and Xunta de Galicia], which are not eligible activities, while variable income is concentrated in 9 portfolios, which, after being analysed individually, are either Company subsidiaries, their value is zero or they do not correspond to aligned activities.

12) Exposure to central governments, central banks and supranational issuers as a proportion of total assets

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

13) Exposure in derivatives as a proportion of total assets

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

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

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

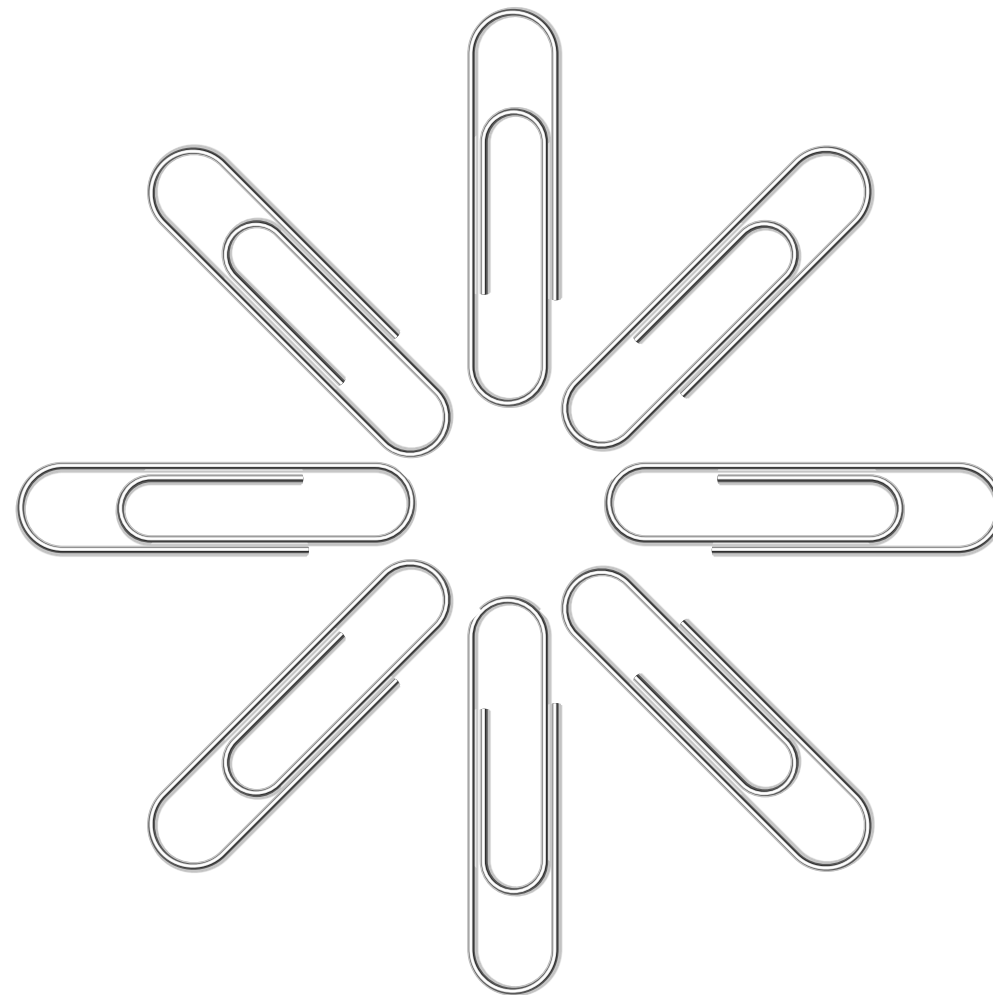
The entire financing portfolio is made up of individuals. WiZink does not provide financing to companies.

As regards the investment portfolio, as it was indicated for the I1, all of the fixed income corresponds to public debt [Spanish and Portuguese Public Treasury] and public administrations [Comunidad de Madrid and Xunta de Galicia], which are not taken into account for the calculation of this indicator. On the other hand, equities are concentrated in 9 portfolios, which have been analyzed individually. Of these, only SERVIRED BC and SERVIRED WZ, which belong to the Spanish financial services entity Sistema De Tarjeta Y Medios De Pago SA, and VISA INC, a financial services multinational based in the US, would not be required to publish non-financial information in accordance with the indicated article.

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

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

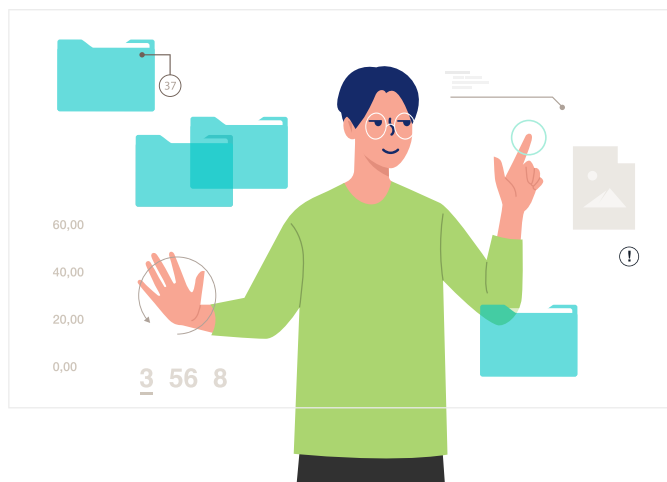
11. Appendix



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

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

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



Content of Law 11/2018 on non-financial information		Standard used	Page number
Business model			
Description of the Group's business model	Description of the business model. Location of operations. Objectives and strategies. Main factors and trends that affect future evolution.	GRI 102-2, 102-3, 102-4, 102-6, 102-7, 102-15	11-27
Policies	Management focus.	GRI 102-2, 102-3, 102-4, 102-6, 102-7, 102-15	28-70
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	28-38
Information on environmental matters			
General	Effects of the company's activities on the environment, health and safety.	GRI 102-15	67-70
	Environmental certification or assessment procedures.	GRI 103-2	67-70
	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	67-70
Circular economy and waste prevention and management	Waste prevention and management measures.	GRI 103-2	70
	Actions to combat food waste.	Not material for the Company	Not applicable
Sustainable use of resources	Consumption of water.	GRI 303-1	67-70
	Consumption of raw materials.	GRI 103-2, 301-1	67-70
	Energy: Direct and indirect consumption: Measures adopted to improve energy efficiency and use of renewable energies.	GRI 103-2, 302-1	67-70
Climate change	Greenhouse gas emissions [GHG]	GRI 305-1, 305-2, 305-3	67-70
	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

Content of Law 11/2018 on non-financial information		Standard used	Page number
Information on social and personnel-related matters			
Employees	Total number of employees by gender, age, country and professional category.	GRI 102-7, 102-8, 405-1	46
	Total number and distribution of employment contracts by type.		46
	Annual average of indefinite-term, short-term and part-time employment contracts by gender, age and professional category.		47
	Number of terminations by gender, age and professional category.	GRI 401-1	48
	Average remuneration by gender, age and professional category or equivalent value.	GRI 102-35, 102-36, 405-2	49
	Gender pay gap.		49
	Remuneration of identical job positions or average positions at the company.		49
	Average remuneration of directors and senior executives, by gender.		Note 7 to Consolidated Financial Statements
	Measures to disconnect from work.	GRI 103-2	50-51
	Employees with disabilities.	GRI 405-1	56
Work organisation	Organisation of working hours.	GRI 102-8	50-51
	Number of hours of absenteeism.	GRI 403-2	53
	Measures to facilitate work-life balance.	GRI 103-2	50-51
Health and safety	Occupational health and safety conditions.	GRI 103-2	51-53
	Accident rates by gender.	GRI 403-2, 403-3	51-53
	Occupational diseases.	GRI 403-2, 403-3	51-53
Labour relations	Organisation of labour/management dialogue.	GRI 103-2	54-55
	Percentage of employees covered by collective bargaining agreements.	GRI 102-41	54-55
	Assessment of collective agreements in the occupational health and safety area.	GRI 403-4	54-55
Training	Training policies.	GRI 103-2, 404-2	55
	Total training hours by professional category.	GRI 404-1	55
Accessibility	Universal accessibility for people with disabilities.	GRI 103-2, 405-1, 406-1	56

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Information on social and personnel-related matters			
Equality	Measures for equality between men and women.	GRI 103-2, 405-1, 406-1	56
	Equality plans.		
	Measures to promote employment.		
	Protocols against sexual and gender harassment.		
	Universal accessibility for people with disabilities.		
	Anti-discrimination policy and management of diversity.		
Information on respect for human rights			
Human rights	Performance of due diligence reviews.	GRI 102-16, 102-17, 103-2 412-2, 419-1	66
	Measures to prevent and manage possible instances of abuse.		
	Complaints of violations of human rights.		
	Promotion of and compliance with ILO provisions.		
	Elimination of discrimination in employment and occupation.		
	Elimination of forced and compulsory labour.		
	Effective abolition of child labour.		
Information relating to anti-corruption and bribery issues			
Corruption and bribery	Anti-corruption and anti-bribery measures.	GRI 103-2, 205-2	40-44
	Anti-money laundering measures.		
	Contributions to foundations and not-for-profit entities.	GRI 103-2, 413-1	40

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Information on the Company			
The Company's commitment to sustainable development	Impact of the Company's activity on employment and local development.	GRI 204-1	58-59
	Impact of the Company's activity on local populations and on the territory.		
	Relationships with local communities.	GRI 103-2	58-59
	Association or sponsorship activities.	GRI 102-12	58-59
Outsourcing and suppliers	Inclusion of ESG matters in the purchasing policy.	GRI 102-9, 103-2	59-60
	Consideration of social and environmental responsibilities in supplier and subcontractor relationships.		
	Supervisory systems, audits and their findings.		
Consumers	Consumer health and safety measures.	GRI 103-2, 416-2	61-64
	Complaints and grievances management system.	GRI 102-17, 103-2	60-61
Tax information	Profit/loss by country.	GRI 201-1	64
	Income tax paid.		
	Government subsidies received.	GRI 201-4	

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Infinitas posibilidades**