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ENVIRONMENT



ATTENUATING THE IMPACT OF BUSINESS ACTIVITY ON THE ENVIRONMENT HAS BECOME A DUTY AND SO BANKIA IMPLEMENTS POLICIES AIMED AT FIGHTING CLIMATE CHANGE.

Bankia works for sustained and sustainable growth with full respect for the environment. Environmental management is therefore an integral part of the bank's decision-making process and is aligned with its business strategies, making environmental governance a part of its overall management. During 2017 the bank invested 8.94 million euros in environmental matters.

The values adopted by the bank in this respect are:

- Commitment in the fight against climate change.
- Professionalism in employee training and awareness-building.
- Achievement orientation, seeking continuous improvement of environmental management and establishing specific targets and systems of indicators.
- Integrity based on transparent action.
- Closeness to suppliers, so as to involve them in joint management of environmental challenges and opportunities.



€8.94 MILLION

Total investment in environmental matters

NEW FOUR-YEAR PLAN

Consistent with this, in April 2017 Bankia's Responsible Management Committee approved the Eco-Efficiency and Climate Change Plan 2017-2020. The time horizon of this plan is four years and the aim is to achieve ambitious but realistic challenges, while laying out the path to follow in order to achieve one of the goals of the 21st century: carbon neutrality by 2050.

The plan is divided into various lines of strategic action aimed at achieving specific qualitative and quantitative targets:

- Increase to seven the number of Bankia's emblematic buildings with an environmental management system certified to the ISO 14001:2015 standard. The bank already has three buildings certified to that standard: Las Rozas (Madrid), Paseo de la Castellana, 189 (Madrid) and Pintor Sorolla, 8 (Valencia).
- Internal climate change governance aimed at reducing greenhouse gas emissions by 20% and offsetting unavoidable emissions.
- Eco-efficiency in resource use, taking the necessary steps to reduce energy consumption by 19% and water, paper and toner consumption by 5%.
- 5% reduction in waste generation and search for new alternatives in the circular economy.
- Promotion of respect for the environment and transition towards a low-carbon economy by avoiding purchases or procurements that may entail a greater environmental risk or impact.

- Extension of an environmental culture to the whole organisation through environmental training and awareness building.

CLIMATE CHANGE

Last year Bankia voluntarily registered its carbon footprint for 2014, 2015 and 2016 in the Carbon Footprint, Offsetting and Carbon Dioxide Capture Projects Register of the Ministry of Agriculture and Fisheries, Food and Environment. This registration has been recognised with the "Calculo" seal, which reflects the bank's commitment, the effectiveness of the measures taken in recent years to reduce greenhouse gas emissions and the effort made to offset emissions in carbon dioxide capture projects carried out in Spain. The bank has designed and has started to implement a specific greenhouse gas reduction plan, which involves the whole organisation and envisages, among other things, the replacement of fossil fuels, the renewal of air conditioners and the use of 100% renewable electricity with guarantees of origin, thus avoiding the emission of 31,295.02 tonnes of CO₂ to the atmosphere.

Bankia set itself the target of offsetting 8% of its unavoidable CO₂ emissions for 2017 but

31,295.02 TONNES OF CO₂ AVOIDED IN 2017 THROUGH SOURCING OF 100% OF THE ELECTRICITY CONSUMED FROM RENEWABLE SOURCES.

actually offset 9.3%. The offsetting was done by buying carbon credits from, on the one hand, the Spanish REFO-RESTA CO₂ project, which is included in the Ministry's Carbon Footprint, Offsetting and Carbon Capture Projects Register, and on the other, two international projects with Gold Standard guarantees. Besides contributing to the fight against climate change, these projects also promote and favour achievement of the UN's Sustainable Development Goals.

As regards sustainable mobility, the bank's commitment is implemented through actions such as:

- The conditions of long-term vehicle rentals for managers have been renegotiated to ensure that all the new vehicles joining the pool are hybrids with low CO₂ emissions.
- Extension of new technologies to all posts, so that employees may communicate by videocall and give presentations online, without having to travel.
- Specific campaigns via the intranet promoting alternatives to the use of private vehicles as a means of transport.

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The work done by Bankia in this respect has been recognised by the CDP Climate Change 2017 analysts with the highest score possible (A), making the bank one of the 112 leading companies worldwide in the fight against climate change.

Bankia continues to promote financial solutions that facilitate the transition towards a low-carbon economy. One example is

the “Crédito Sostenible” loan for the purchase of environmentally friendly vehicles or energy-efficient home appliances and for energy-saving home improvements.

It also has the Bankia Futuro Sostenible mutual fund, which applies socially responsible investment criteria and includes the Sustainable Development Goals in its investment policy .

CONSUMPTION OF MATERIALS ¹	2017	2016	2015	UNITS
Consumption of recycled paper (DIN A4) ³	736.92	651.39	741.50	Tonnes
Consumption of white paper made from virgin pulp with a low environmental impact (DIN A4) ²	1.66	1.55	1.63	Tonnes
Consumption of paper rolls	373.95	472.10	689.80	Tonnes
% of paper used that is made from ECF virgin pulp (DIN4)	100	100	100	Percent
% of paper used that is recycled (DIN A4)	99.77	99.76	99.78	Percent
Consumption of toner cartridges	13,871	15,057	14,575	Units
% of toner cartridges used that are recycled	24.34	88.38	99.82	Percent

1 Data for Bankia, S.A.

2 Paper supplied by manufacturers with FSC and PEFC certifications, which guarantee that the materials used come from sustainably-managed forests.

3 The recycled paper has the following guarantees: European Ecological Label, Ángel Azul and CradletoCradle (Silver).

ENERGY AND WATER CONSUMPTION ¹	2017	2016	2015	UNITS
Primary energy consumption	15,580	15,550	16,825	Gigajoules
Natural gas consumption	10,465	10,841	12,644	Gigajoules
Liquid fuel (oil and petrol) consumption ²	5,115	4,709	4,181	Gigajoules
Electricity consumption ³	312,950	326,127	379,638	Gigajoules
Water consumption ³	240,538	244,516	280,446	Cubic metres

1 Data for Bankia, S.A.

2 Following the criteria defined by the Ministry of Agriculture and Fisheries, Food and Environment for the registration of Bankia's carbon footprint, the emissions arising from business travel (leased vehicle fleet) have been transferred from Scope 3 to Scope 1. Following this criterion, in 2017 the fuel consumption of leased vehicles is included in the "fuel consumption" indicator and the figures for 2015 and 2016 are recalculated with this broader scope.

3 100% of the electricity acquired comes from renewable energy sources (green energy). The electricity consumption for the month of June 2017 has been estimated, as the actual figure was not available due to a change of supplier.

4 All the water comes from the mains supply. Buildings: Las Rozas, Pº Castellana, 189 and Pº Castellana 259A in Madrid. Other facilities: Consumption estimated based on bills.

EMISSIONS ¹ (tonnes)	2017	2016	2015
Scope 1 emissions ^{2,3}	4,545.7	4,448.5	4,409.1
Direct CO ₂ e emissions from natural gas consumption	595.2	616.6	717.9
Direct CO ₂ e emissions from fuel consumption	354.3	316.8	274.0
Direct CO ₂ e emissions from refrigerant gas recharging	2,914.5	2,810.1	2,640.4
Direct CO ₂ e emissions from business travel ⁴	681.7	705.0	776.8
Scope 2 emissions	0	0	0
Indirect CO ₂ e emissions from electricity consumption ⁵	0	0	0
Scope 3 emissions ²	4,001.2	3,866.5	4,228.1
Indirect CO ₂ e emissions from business trips ⁶	2,352.0	2,366.5	2,538.2
Indirect CO ₂ e emissions from Ofibus mobile branch service	298.2	294.4	325.0
Indirect CO ₂ e emissions from commutes (shared transport)	7.9	8.2	9.2
Indirect CO ₂ e emissions from consumption of paper (DIN A4) and printer cartridges	1,236.5	1,087.1	1,227.1
Indirect CO ₂ e emissions from water consumption	82.7	84.1	96.5
Indirect CO ₂ e emissions from waste management	23.9	26.2	32.1
Other emissions ⁷			
CO emissions	0.19	0.19	0.21
NO _x emissions	1.40	1.41	1.55

1 Data for Bankia, S.A.

2 Sources of emission factors used: IPCC 2006/2013, CORINAIR 2007, U.S. EPA, Spain – GHG Inventory Report 1990-2015 (2017), DEFRA 2017, Guide for calculating GHG emissions (2017) - Catalan Office for Climate Change, Environmental Paper Network (2012) and Carbon Impact Studies: Toner Refills at Cartridge World - Comparative Carbon Footprints (2008).

3 The figures are based on the 100-year global warming potentials published in the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) (2013).

4 This includes the emissions from employees' business travel in leased vehicles. In 2017, following the criteria laid down by the Ministry of Agriculture and Fisheries, Food and Environment for the registration of Bankia's carbon footprint, these emissions have been transferred from Scope 3 to Scope 1.

5 100% of the electricity acquired comes from renewable energy sources (green energy). This has avoided the emission of 31,295.02 tonnes of CO₂. Source: Electricity Guarantee of Origin and Labelling System (2016). Comisión Nacional de los Mercados y la Competencia.

6 This includes the emissions from employees' business trips by plane, train, coach and ship and from employees' travel in their own vehicles for work purposes.

7 Source: CORINAIR 2007.

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CERTIFICATION OF ENVIRONMENTAL MANAGEMENT

Since the end of 2017, the bank's three largest buildings (Pintor Sorolla 8 in Valencia, Paseo de la Castellana 189 in Madrid and Las Rozas in Madrid) have had ISO 14001 environmental management certification, which means that they have implemented a system that helps prevent environmental impacts and hazards and includes mechanisms to avoid, reduce or control them.

WASTE MANAGEMENT

Bankia continues its campaigns of donations of furniture, electrical and electronic equipment and office material. In 2017 it made a total of 23 donations. These donations promote the circular economy, with the aim of giving waste a second lease of life, and represent an important contribution to the social welfare activities of the beneficiary not-for-profit entities.

A STRONG COMMITMENT TO ECO-EFFICIENCY

Bankia continues to apply innovative measures such as heat recovery from cooling units for subsequent use in boilers in the Las Rozas building. It has also upgraded or replaced cooling units with more efficient ones and has installed LED lighting systems in high-consumption facilities and branches.

In 2017 it completed the project for the monitoring of the bank's printer pool, which allows real-time monitoring of paper and toner consumption and helps achieve major savings in costs and consumption. The project includes configuring double-sided printing as the default, limiting the number of printers in work centres and sending paper saving reminders to employees.

WASTE MANAGEMENT ¹ (TONNES)	2017	2016	2015
NON-HAZARDOUS WASTE SENT FOR REUSE OR RECYCLING	1,096.24	1,246.17	1,522.45
Paper waste ²	613.93	688.99	683.06
Electronic waste	419.01	498.32	785.84
Toner waste	35.37	38.39	37.16
Battery waste	0.10	0.21	0.25
Packaging waste	26.91	19.75	15.06
Glass waste	0.86	0.46	1.06
Vegetable oil waste	0.06	0.05	0.02
NON-HAZARDOUS WASTE SENT TO LANDFILL	0.67	0.06	2.10
Portable electronic device waste	0.67	0.06	2.10
HAZARDOUS WASTE GENERATED	0.57	0.68	0.77
Hazardous waste handled by an authorised waste management company and recycled	0.53	0.65	0.76
Hazardous waste handled by an authorised waste management company and sent to secure landfill	0.04	0.03	0.01

1 Data for Bankia, S.A.

2 In 2016, Bankia undertook several extraordinary, one-time projects that involved generating 269.9 t of paper waste, which was sent to be recycled.



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SUSTAINABLE PURCHASING AND SERVICES PROCUREMENT

Bankia has performed a thorough analysis of the purchases it makes and the services it acquires which by nature entail or could entail a major impact or hazard in terms of CO₂ emissions. Based on that analysis, it has identified the most critical purchases and service procurements from an environmental point of view and has defined the environmental criteria which from 2018 must be included in the tender specifications for high-impact services.

The course is intended to emphasise the main environmental problems (relating to climate change, water, energy, atmospheric pollution and waste) and the steps Bankia is taking to minimise them.

During the course the participants are given suggestions on good environmental practices they should consider both at work and outside.

In March Bankia launched internally a carbon footprint calculator that employees can use to measure the impact of their daily activity on the environment in terms of CO₂ emissions. Since early 2018 this tool has also been available to customers and non-customers on the Bankia.es portal and the en•accion website.

TRAINING AND AWARENESS RAISING

In 2017, a total of 13,094 employees had an online environmental management course as part of their individual training plan, with the aim of spreading an environmental culture among the bank's professionals.



1,823

Total no. of employees who received environmental awareness training

ALLIANCES AND INITIATIVES

| GRI 102-43

Bankia considers it essential to participate in national and international initiatives and build alliances that promote greater environmental awareness and allow sharing of experiences, achievements or concerns in the fight against climate change and the preservation of biodiversity. These include most notably:

- **In Spain.** Forética's Clúster de Cambio Climático, Grupo Español de Crecimiento Verde, Comunidad por el Clima, Fundación Empresa & Clima.
- **Internationally.** Earth Hour (WWF) and RE100. Created by CDP and The Climate Group, RE100 brings together the world's most influential companies that are committed to 100% renewable power and that have set public targets for their renewable energy use.

Among the challenges for 2018 are the possibility of certifying the Triana 20 building in Las Palmas to the ISO 14001:2015 standard and continuing to work towards compliance with the targets of the Eco-Efficiency and Climate Change Plan. The bank will also work to offset CO₂ emissions, either through direct purchase of tonnes of CO₂ or through collaboration in carbon offset projects.

THE CHALLENGES FOR 2018 INCLUDE INCREASED COMPLIANCE WITH THE TARGETS OF THE ECO-EFFICIENCY AND CLIMATE CHANGE PLAN.

