05. RELATIONSHIP WITH SOCIETY AND THE ENVIRONMENT.
BANKIA IS FIRMLY COMMITTED TO THE WIDER SOCIETY IN WHICH IT OPERATES AND ENGAGES IN ACTIVITIES AIMED AT CREATING VALUE IN THE LOCAL COMMUNITY. IT WORKS TO IMPROVE THE SITUATION OF THOSE MOST IN NEED, CONTRIBUTES TO ECONOMIC DEVELOPMENT AND INVESTS IN ATTENUATING ANY IMPACT ON THE ENVIRONMENT.

INVESTMENT IN SOCIAL ACTION
16.7 MILL. EUROS

TOTAL AMOUNT PAID TO SUPPLIERS
675 MILL. EUROS

REDUCTION OF ELECTRICITY CONSUMPTION (VS. 2015)
14.1%
BANKIA CANNOT CHANGE SOCIETY, BUT IT TRIES TO HELP IMPROVE IT THROUGH A RANGE OF ACTIONS UNDERTAKEN IN THE AREAS IN WHICH IT OPERATES. LOCAL DEVELOPMENT, EMPLOYMENT AND SOCIAL SPONSORSHIP PROGRAMMES ARE AMONG ITS CHIEF PRIORITIES.

In 2016 Bankia strengthened its lines of social action, always with a clear commitment to innovation, closeness and support for projects that meet basic needs, are sustainable and benefit local development and people in the short term while also helping them achieve self-sustainability in the longer term.

The bank invested 16.5 million in this field of activity, placing special emphasis on local employment and development programmes, which are essential for achieving the desired goals. It also devoted considerable effort to the corporate sponsorship, disability, housing and new poverty projects. In total, in 2016 Bankia channelled aid to more than 800 associations and foundations.

SOCIAL ACTION

- EMPLOYMENT 11.8%
- EDUCATION 2.7%
- LOCAL DEVELOPMENT 34.0%
- DISABILITY 7.7%
- EMPLOYEE PROJECTS 10.2%
- HOUSING* 20.5%
- NEW POVERTY 1.3%
- CORPORATE SPONSORSHIP 11.8%

*Housing: Of the total investment in housing by Acción Social, 54,760 went to the Acción Social budget and 3,371,589 to the maintenance of social housing by the Properties Directorate and the maintenance of the Social Housing Pool’s online application form on the corporate website.
HOUSING AND NEW POVERTY

Bankia expanded its housing agreements with local governments to make housing available at social rents to individuals and families in vulnerable situations. For that purpose, at 31 December 2016 the bank had 2,379 housing units available on advantageous terms and adapted to the payment needs of these households. In 2016 a total of 2,094 social rent contracts were signed.

The agreements with local governments help to improve the process by which homes are awarded through the social services. Agreements of this kind have already been signed in Madrid, Castilla-La Mancha, the Canary Islands, Catalonia, the Valencian Community and La Rioja. However, the pool of homes assigned to Bankia’s Social Housing Pool (SHP) extends across all of Spain’s autonomous communities.

In order to maintain the social housing programme, the bank allocated 3.37 million euros to cover property maintenance and repair costs, as well as the maintenance of the Social Housing Pool’s online housing application form, located at www.bankia.com/es/quienes-somos/convenios/.

EDUCATION

The bank is convinced that combining classroom learning with in-company learning is essential to give young people the qualifications and experience they need in order to succeed in the labour market. One of the vocational training courses that was started based on that premise is the two-year higher level course in Administration and Finance. Bankia’s support for dual education has also given rise to agreements with regional governments to foster dual education in the different autonomous communities and an agreement with Fundación Bertelsmann that led to the creation of the DUAL+ Knowledge and Innovation Centre.

### DATA ON RENTED SOCIAL HOUSING

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
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<td>730</td>
<td>570</td>
</tr>
<tr>
<td>Special rental</td>
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<td>14</td>
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<tr>
<td>Special rental</td>
<td>20</td>
<td>10</td>
</tr>
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<td>applications rejected</td>
<td></td>
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<tr>
<td>SHP applications</td>
<td>59</td>
<td>64</td>
</tr>
<tr>
<td>approved</td>
<td></td>
<td></td>
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<tr>
<td>Special rental</td>
<td>40</td>
<td>8</td>
</tr>
<tr>
<td>applications approved</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SHP agreements</td>
<td>135</td>
<td>85</td>
</tr>
<tr>
<td>signed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total social</td>
<td>638</td>
<td>549</td>
</tr>
<tr>
<td>rental agreements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>signed</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
On 26 July the bank went a step further in institutionalising its commitment in this field by creating the Bankia Foundation for Dual Education. The main purposes of this foundation are:

- To foster, promote and spread dual education, so as to increase its social value as a driver of the employability of young people in particular and of the competitiveness and transformation of Spain’s manufacturing base in general.

- To collaborate in implementing dual education in the education system, in coordination with government authorities, schools, companies and business associations, as well as other institutions and social agents.

- To drive research and innovation in dual education, so as to generate knowledge that will help implement new projects and pilot plans linked to the development of dual education.

- To provide professional, academic and personal guidance to young people and others in search of employment, fostering the entrepreneurial spirit.

The foundation’s support is not only for programmes related to the world of finance but also other subjects, such as Comex, which trains professionals in foreign trade and marketing, and Sanec, aimed at health science graduates.

In 2017, the scope will be expanded to include computer science, with a digital competencies programme called Ditec, and an application allowing companies to explore current and future market needs will be made available, among other initiatives.

### DUAL VOCATIONAL TRAINING AGREEMENTS WITH AUTONOMOUS REGIONS

Framework agreements with other autonomous communities: Cantabria, Castilla y León, Murcia, Galicia, Extremadura, La Rioja, Navarra, Canary Islands, Catalonia, Castilla-La Mancha and Valencian Community*.

Another framework agreement with the Ministry of Education, Culture and Sport.

Three specific agreements with Castilla y León, Canary Islands and Castilla-La Mancha to implement Bankia Foundation projects in their territory: FP EPI and DITEC.

*Signed in January 2017
Bankia orients its social programmes towards promoting employment and entry to work for the sectors of society that have most difficulty in finding work. Together with Spanish Red Cross, it runs a programme to promote employment for over-45s, co-financed by the European Social Fund, and to improve the employability of 3,200 people affected by the economic crisis in 29 Spanish provinces. It also participates in the “Caritas con el Empleo” programme through training courses and support for Caritas’s network of social employers. The courses are carried out in 13 provinces and have more than 1,500 participants.

An additional line of work, which was maintained in 2016 for the fourth year running, involves helping customers and their family find work (a total of 291 people in 2016). The programme is called Empleo en Red and is carried out with the collaboration of Fundación Randstad and Randstad Outplacement. The success rate is 34.4%.

Last year the bank designed an innovative initiative to support entrepreneurial individuals who are unable to access funding, as they lack the necessary guarantees. This initiative is implemented through the microfinance company Oportunidades, which is currently at the launch stage. Over the course of 2016, 16 deals were closed for a total of 139,800 euros.

Another new project in 2016 was the creation of a pilot project in Castilla-La Mancha to create employment in the rural environment and in agrifood companies. In collaboration with customers in this industry and the vocational training centres run by EFA (CIFASA), a programme was launched called “Ideas que Alimentan” (“Ideas that Feed”), calling for submissions from vocational training students throughout Castilla-la-Mancha. During 2017 the five best proposals, prepared by groups of students, will be selected and the students will be given grants to help them put their ideas into practice in the real world.
LOCAL DEVELOPMENT

Local and rural development is a priority objective for Bankia, as it helps to bring productive industry and social assistance to rural areas. The bank promotes specific actions in five autonomous communities:

• In Madrid, with Fundación Montemadrid (78 projects).

• In the Valencian Community, with Fundación Bancaja (57) and with Fundación Caja Castellón (41).

• In Castilla y León, with Fundación Caja de Ávila (41) and Fundación Caja Segovia (50).

• In the Canaries, with Fundación CajaCanarias (27).

• In La Rioja, with Fundación Caja Rioja (23).

• In Catalonia grants will be offered in 2017 with Fundación Iluro.

Another way of extending the reach of Bankia’s social action is through the “Red Solidaria” volunteering programme, which gets the bank’s professionals involved in their local community. Last year, Retail Banking, Business Banking, Private Banking and Central Services chose 245 NGOs, to which they donated part of the profit obtained by their units (specifically, 1.42 million euros). Nearly 74,000 people throughout Spain benefited from this programme, which aims to help people with disabilities by meeting basic needs, providing entry to work and delivering care. During 2017 the Multichannel Business Directorate will join the initiative. Bankia’s Red Solidaria project has great symbolic power, making employees’ community involvement compatible with the achievement of their day-to-day business objectives.

“Historias en Red” is another programme aimed at bringing the bank close to local projects, in this case promoting solidarity between schools and NGOs. In 2016, the foundation Lo Que De Verdad Importa (LQDVI) and Bankia selected eight ideas submitted by young people on how to support and drive volunteering actions in their local community, which were then publicised on the programme’s website and at LQDVI’s conferences.

‘RED SOLIDARIA’ MAP

NO. OF PROJECTS

- ANDALUSIA 20
- ARAGÓN 4
- ASTURIAS 3
- BALEARIAS 3
- CANARIAS 13
- CANTABRIA 2
- CASTILLA Y LEÓN 17
- CASTILLA-LA MANCHA 15
- VALENCIAN COMMUNITY 42
- CATALONIA 26
- GALICIA 7
- LA RIOJA 5
- MADRID 71
- MURCIA 3
- NAVARRA 3
- BASQUE COUNTRY 6
- EXTREMADURA 4
- CEUTA 1
The group made a major effort in 2016 to facilitate access to employment for people with different abilities. It allocated a budget of more than one million euros to orientation programmes, training itineraries and work experience programmes for more than 6,128 people through 37 NGOs throughout Spain. During the year Bankia also reinforced its financial education programmes for people with disabilities, with the involvement of the bank’s professionals. In all, 55 one-day financial education events were held to fight against social exclusion and foster cognitive accessibility. These programmes were carried out jointly with the confederation of intellectual disability institutions Plena Inclusión and Fundación Randstad, with a total of 471 beneficiaries.

The purpose of BANKIA’s “Finanzas Fáciles” (“Finance Made Easy”) programme is to promote cognitive accessibility through financial education.

DIFFERENT ABILITIES

BENEFICIARIES OF THE ‘RED SOLIDARIA’ PROGRAMME

74,000
Bankia is also evolving in its social responsibility policies, as regards the training of people with disabilities and the hiring of services. In 2016, the bank once again supported a postgraduate scholarship programme run by Fundación ONCE and started to consider potential providers among the special employment centres, which employ a large proportion of people with disabilities. In 2016, the bank signed an agreement with the Grupo Konecta special employment centre for the provision of customer helpdesk services in Bankia’s digital contact centre.

THE CHALLENGES

Bankia’s social action will continue its lines of work and maintain its strategy of closeness and involvement of all the bank’s professionals. The challenges for 2017 include the following:

• Consolidate the microloans programme for entrepreneurial individuals who lack the backing to apply for a loan from the bank in the usual way. The programme is implemented through an external microfinance company, which is responsible for granting the loans and managing the risk. Bankia provides the funds.

• Continue to increase community involvement in the bank’s social action. The aim is to gradually increase communication and opportunities for involvement of other stakeholders in the various programmes, apart from NGOs and Bankia employees.

• Increase the involvement of Bankia’s professionals, encouraging them to participate in all the social actions, so as to add an extra dimension to their work and their objectives.

EMPLOYEE INVOLVEMENT: THE MAIN VALUE

All Bankia’s social action is based on the involvement of its professionals, with the aim of developing an awareness of local needs and ensuring that the commercial activity is always linked with a local and social dimension.

Already more than 13,000 of Bankia’s professionals participate in Red Solidaria. There has also been an exceptional response to the “Planta tu Proyecto” programme, which gives recognition to those who volunteer for NGOs on a permanent basis. This programme channelled support to nine charity initiatives, which received 80,284 euros.

The “Contigo Dos Pueden Ser Cuatro” programme was also very well received. Under this programme, the bank undertook to double the donations made by Bankia’s professionals to the popular “Operación Kilo” food collection programme and donated 75,458 euros to the Spanish food banks federation Fesbal.

The bank’s social involvement was also reflected in the volunteering activities organised throughout Spain. In collaboration with Plena Inclusión, Fundación Randstad and Asprodema, 55 one-day financial education seminars were held, with a total of 128 hours of training and a satisfaction index of 9.3 out of ten.

Volunteering days and awareness-building activities were also organised, many of them at weekends with family and friends. They included, among other activities, sessions in urban gardens with people with disabilities, employment orientation workshops and fun activities with children and the members of various associations, and inclusive sports days.
In all, 597 people devoted 624 hours to organising 117 volunteering days during 2016.

In the field of sport, another programme that attracts great interest and a lively response is the “Correr con Doble Meta” programme, where Bankia professionals donate the kilometres they have run in various official races and Bankia turns their kilometres into financial help for NGOs. A total of 9,193 kilometres were donated, which became a donation of the same number of euros.

**EN ACCIÓN**

In 2016 the bank presented the new brand, “En acción” (In action), which stands for Bankia’s social footprint and will accompany all the bank’s social projects relating to employment, training, housing, rural development, disability and social sponsorship.

The use of the creative concept of a “social footprint” conveys Bankia’s commitment to society, aimed at reinforcing the values of credibility and closeness. The new brand gives centre stage to the “action” driven by Bankia’s professionals, who are actively involved in putting the bank’s social projects into practice.

Every retail branch has a specific display to communicate the new brand to customers and inform them about the social projects Bankia is carrying out in the local area. A new website, www.enaccion.bankia.com, has been launched and Twitter and Facebook pages have been created, offering regular reports and updates.

THE USE OF THE CREATIVE CONCEPT OF A “SOCIAL FOOTPRINT” CONVEYS BANKIA’S COMMITMENT TO SOCIETY, AIMED AT HAVING A POSITIVE IMPACT ON THE BANK’S VALUES.
SOCIAL SPONSORSHIP

Besides its strictly social activities, BANKIA is also involved in sponsoring other activities that help improve its social environment, on the level of culture, sport and business. Its programmes include the following:

Bankia Symphony Orchestra.
This is a professional musical ensemble created in 2015, whose challenges are to discover musical talent, recognise effort, hard work and continuing education, and help top-class young instrumentalists who have completed their formal education to find employment. In its second year of life, the orchestra played three series of concerts in Toledo, Valladolid, Salamanca, Zaragoza, Barcelona, Alicante and Valencia, with attendance of more than 5,000 people.

Bankia Escolta València.
In 2016 this programme published its third call for grants and launched the first edition of the Valencian Community’s Competition for Orchestras. Its purpose is to promote and support musical performance and concerts as a fundamental part of the region’s cultural heritage, while also strengthening the music societies and their orchestras. Bankia also sponsored the Bankia-Las Provincias Musical Campus, aimed at training a large band of young artists.

Youth sport.
The bank fosters the practice of sport by children through sport schools. In Las Palmas it sponsors the youth academy of the Gran Canaria basketball club; in Ávila, the Puente Romanillos athletics club; in Segovia, the Segovia Futsal futsal club; and in Lanzarote, the Haría futsal club. More than 2,000 children benefit from this sponsorship. In 2016 the bank reached an agreement with the Valencia Basket basketball club to inculcate the values of a culture of effort.

Million euros
In donations to the popular “Operación Kilo” through the “Contigo Dos Pueden ser Cuatro” programme.

128
Hours of training given
In 55 financial education days, with a satisfaction index of 9.3 out of 10.

9,193
Kilometres run
Donated through the “Correr con Doble Meta” programme, converted into 9,193 euros.
besides its social activities, Bankia also sponsors other activities in the fields of culture, sport and enterprise that help improve its environment.

**Las Edades del Hombre.**
The 11th annual “Las Edades del Hombre” exhibition was dedicated to water and was held in Toro (Zamora). The exhibition consisted of 139 works and was visited by around 250,000 people. In supporting this event, Bankia reaffirmed its commitment to cultural promotion and the preservation of the historical heritage.

**Support for companies.**
More than 40 company gatherings were organised to address issues such as digitisation, innovation and internationalisation. Bankia and Innsomnia launched Spain’s first fintech incubator and accelerator, called Bankia Fintech by Innsomnia and based in Valencia. Together with Conector, the bank launched Bankia Accelerator by Conector, a programme to help and promote innovative startups that aspire to have a social impact.

**Awards.**
Bankia sponsored the Business Awards organised by the magazine Actualidad Económica; the In4NBankia Awards, by the Alicante daily Información; the Digitisation Awards, by the magazine Castilla y León Económica; the “Tu Economía” Awards, by the daily La Razón, in the SMEs section; the “Comprendedor” Awards, by Fundación Empresa y Sociedad; the “Andalucés con Futuro” Awards, by the Joly communication group; and the “Talento Joven” Awards, by the daily Levante.

**NUMBER OF HOURS IN 117 VOLUNTEERING DAYS**
624
ALL COMPANIES, AND LARGE COMPANIES IN PARTICULAR, NEED A RIGOROUS PURCHASING POLICY. BANKIA TAKES THE GREATEST CARE IN SUPPLIER SELECTION AND SUPPLIER RELATIONS AND VALUES ITS SUPPLIERS’ COMMITMENT TO QUALITY AND TO THEIR OWN EMPLOYEES.

Bankia takes the best practices defined in the UNE 15896 standard, Value Added Purchasing Management, as its guide and was the first financial institution to obtain UNE 15896 certification, which was renewed in 2016. UNE 15869 sets a quality standard that adds value to the company, ensures respect for principles of environmental and ethical sustainability, and minimises risks.

The bank also has specific standards inspired by the precepts of the International Federation of Purchasing and Supply Management. These standards are based on principles such as loyalty and honesty, objectivity in decisions, transparency and equality of opportunity, confidentiality, integrity and independence in relations, and corporate social responsibility.

The bank’s standards specify what is already established in the Code of Ethics and Conduct, approved by Bankia’s Board of Directors, which states that suppliers will be selected based on objective, weighted criteria, fair competition and diversification.

Suppliers that show a commitment to their employees, to quality, to the preservation of the environment and to human rights will be preferred; and those that have a record of non-compliance in relation to the law, tax obligations, employment, the environment or occupational health and safety will be avoided.

In 2016 the Supplier Approval Process was reviewed and the use of the Supplier Portal, which gathers all the necessary information, including each supplier’s economic risk rating and the required social and environmental information, became more fully established. Approval is essential in order for a supplier to establish a business relationship with Bankia and requires a minimum score. At year-end 2016, Bankia had 3,015 approved suppliers in the portal.
SUPPLIER RELATIONS CHANNELS

Suppliers can communicate with Bankia through various different channels:

- Supplier Service Department. This department is open to complaints, claims and suggestions in relation to the payment of invoices and the provision of services associated with supplier contracts and in relation to the supplier selection processes. All the complaints received by the department are dealt with directly by the staff of the Chairman’s Office.

- Confidential whistleblowing channel. Managed by an independent body and open to suppliers, this channel helps to detect possible breaches of the bank’s Code of Ethics and Conduct.

- Satisfaction surveys. In 2016 the bank created the Supplier Perception Study, which comprises three different surveys: surveys of selected suppliers, non-selected suppliers and selected suppliers with two months of service provision. These surveys assess Bankia’s relationship with suppliers in terms of how well it treats suppliers, the use of the Confidential Whistleblowing Channel, the contract negotiation process, promptness in payment and how well the bank conveys its values.

- Supplier sponsor. The role of supplier sponsor was created to improve communication, facilitate contact and monitor performance more effectively. Strategic suppliers are assigned a sponsor, whose...
OTHER ACTIONS

In 2016 Bankia took part in the annual convention of CPOnet, the social network for business that brings together the most important purchasing professionals operating in Spain. The convention revolved around the influence of supply risk management and digitisation on the purchasing function.

In June 2016 the bank organised its first Suppliers Day, which was held in the auditorium of the bank’s operating headquarters in Madrid and was attended by more than 300 people. Bankia wanted this event to show the importance it gives to supplier participation and involvement in the bank’s project and in its value chain.

In 2016 the bank sponsored the 7th edition of the Diamond Awards for Purchasing, an initiative of the Spanish Association of Purchasing Procurement and Supply Professionals (Aerce) aimed at rewarding excellence in purchasing management, bringing best business practices to a wider audience and promoting the importance of the purchasing function in organisations.

FUTURE PLANS

In 2017 the bank plans to launch a Negotiation Module, which will make the supplier selection process fully traceable and will provide a repository of the documents that are exchanged, so that suppliers can see the status of their bids at all times. There are also plans to implement a Supplier Monitor, which will give an overview of Bankia’s suppliers and will include an analysis of environmental, social and governance risks.

MAP OF ACTIVE SME SUPPLIERS

- ANDALUSIA 36
- ARAGÓN 9
- ASTURIAS 8
- BALEARICS 7
- CANARIES 34
- CANTABRIA 3
- CASTILLA Y LEÓN 31
- CASTILLA-LA MANCHA 20
- VALENCIAN COMMUNITY 131
- CATALONIA 137
- GALICIA 14
- LA RIOJA 9
- MADRID 703
- MURCIA 7
- NAVARRA 4
- BASQUE COUNTRY 27
- EXTREMADURA 0
- CEUTA 0
- TOTAL ACTIVE SME SUPPLIERS 1,180
Bankia organised the first Suppliers Day, which was held in the auditorium of the operating headquarters in Madrid and was attended by more than 300 people.

SUPPLIER PROFILE

ACTIVE SUPPLIERS BY SECTOR

- No. of active approved suppliers in the public sector: 239
- No. of active approved suppliers in the real estate/construction sector: 222
- No. of active approved suppliers in the general services sector: 189
- No. of active approved suppliers in the associations, groups and NGOs sector: 164
- No. of active approved suppliers in the IT sector: 153
- No. of active approved suppliers in the consulting/audit/advisory sector: 113
- No. of active approved suppliers in the “other” sector (advertising/marketing, legal, financial information services, etc.): 675
- No. of active approved suppliers with no specified sector: 1,362

APPROVED SUPPLIERS

- No. of new suppliers accepted: 384
- No. of approved suppliers: 3,117

ACTIVE SUPPLIERS BASED IN THE LOCAL AREA

- Active suppliers (local): 93.4%
- Active suppliers (non-local): 6.6%

APPROVED SUPPLIERS BY CATEGORY

- Total no. of approved suppliers classified as strategic: 38
- Total no. of approved suppliers classified as preferred: 121
- Total no. of approved suppliers classified as transactional: 2,856

SMEs THAT ARE ACTIVE SUPPLIERS

- Total no. of active SME suppliers in the bank’s main areas of activity: 1,013
- Total no. of active SME suppliers outside the bank’s main areas of activity: 171

% BILLING BY LOCAL SUPPLIERS

- National suppliers: 95.14%
- Foreign suppliers: 4.86%

* % of total active approved suppliers calculated using consolidated information on their nationality (2,335 suppliers)
BANKIA IS AWARE OF THE IMPACT ITS ACTIVITY HAS ON THE NATURAL ENVIRONMENT AND HAS FOR MANY YEARS BEEN TAKING STEPS TO MINIMISE THAT IMPACT, AS PART OF THE FIGHT AGAINST CLIMATE CHANGE AND IN LINE WITH ITS STAKEHOLDERS’ EXPECTATIONS.

Since the new ISO 14001 standard was published in September 2015, Bankia has concentrated its efforts on reviewing and analysing its internal environmental management procedures to adapt them to the new standard. These efforts have resulted in new work procedures, approved in 2016, oriented towards a more holistic approach to environmental management, taking the context and the needs and expectations of the bank’s stakeholders into account.

ENERGY EFFICIENCY

Efficiency is one of the levers to help reduce emissions and so combat climate change. During 2016, in line with the 2015-2019 Energy Efficiency Plan, the bank continued to implement energy telemanagement systems, which at year-end were in place in 121 branches. In the commercial network 299 air conditioners were replaced with more efficient models. Added to the 186 replaced in 2015, this brings the total to 485. In addition, an energy telemanagement system was implemented in the company’s headquarters building in Valencia.

Once again, Bankia renewed its commitment to ensure that 100% of the electricity consumed in all its facilities comes from renewable sources. It was the first Spanish financial institutions to start using 100% green energy in 2013. The Valencia headquarters also has a system for capturing solar photovoltaic energy. In 2016 the bank joined RE100, an initiative that groups together at international level the companies that are most committed to renewable energy use, with clearly defined and publicly stated energy use targets.

Last year the bank completed an ambitious comprehensive audit project to determine
the energy situation of its work centres and their scope for energy savings, with a view to improving their energy efficiency and reducing their greenhouse gas emissions. The audit covered all the buildings and energy-intensive facilities and more than 1,195 branches. The results are helping to define new measures, having regard to their economic, energy and environmental return.

OTHER CONSUMPTION

In 2016 a project was started to resize and replace obsolete printers, aiming to achieve significant cost savings through reductions in consumption. The project included measures such as monitoring the printers using special software, programming the printers for double-sided printing by default and limiting the use of colour printers.

As regards water, the work on installing water-saving systems in the bank’s branches and buildings was completed. These systems helped the bank meet and surpass its water-saving target, reaching a saving of 12.8%.

The bank’s operating headquarters in Madrid were subjected to a special treatment, with the implementation of the Workin’Bankia project, aimed at optimising and modernising spaces. When the project is complete, Torre Bankia will be a more sustainable building in terms of water consumption (with a more than 75% saving from new taps), energy savings in air conditioning and lighting (between 1.5 and 2 GWh) and sustainable furniture, with most items having FSC certifications and environmental product statements.

TACKLING CLIMATE CHANGE

Bankia offset 100% of the CO2 emissions generated by the activity carried out in its operations centre in Madrid at Paseo de la Castellana, 189 (offset of scope 1, 2 and 3 emissions, a total of 524 tn)*.

ENVIRONMENTAL INVESTMENT IN MILLIONS OF EUROS

10.92

* Note: Scope 3 emissions include emissions arising from consumption of water, consumption of paper and toner, and from waste (paper, packaging, glass, toner cartridges, batteries and vegetable oil).
This offsetting has been achieved through the direct purchase of tonnes of CO₂ available in the national REFO-RESTA CO₂ project (Phases II, III and IV), which is registered in the “Carbon Footprint Offsetting and Absorption Projects”, dependent on the Ministry of Agriculture, Fisheries, Food and the Environment.

Thanks to the REFO-RESTA CO₂ project (Phases II, III and IV), an area of degraded land, stripped of vegetation, in the municipalities of Lerma and Santa María del Castillo (Burgos) is in the process of being recovered. The new woodland acts as an important CO₂ sink, while also helping to mitigate the risk of desertification and enhance biodiversity. The project also has an important social dimension, as it is carried out by local experts, fostering local employment and rural development and ensuring proper forest maintenance.

Sustainable mobility has positive environmental and economic effects. For that reason, the bank has for a long time used conference calls in its work centres to allow meetings to be held remotely. In 2016 greater emphasis was given conference calls as a means of avoiding travel by car, train or aeroplane. During 2016 these services received 5,042 requests and had 87,773 participants. All employees were given simple advice on how to reduce their CO₂ emissions when they have no other option but to use a vehicle.

<table>
<thead>
<tr>
<th>CONSUMPTION OF MATERIALS</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
<th>UNITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total paper consumption (DIN A4)</td>
<td>652.94</td>
<td>743.13</td>
<td>658.90</td>
<td>Tonnes</td>
</tr>
<tr>
<td>Total consumption of recycled paper (DIN A4)</td>
<td>651.39</td>
<td>741.50</td>
<td>657.60</td>
<td>Tonnes</td>
</tr>
<tr>
<td>Total consumption of white paper made from virgin pulp with a low environmental impact (DIN A4)</td>
<td>1.55</td>
<td>1.63</td>
<td>1.30</td>
<td>Tonnes</td>
</tr>
<tr>
<td>% consumption of paper made from ECF virgin pulp (DIN A4)</td>
<td>99.76</td>
<td>99.78</td>
<td>99.80</td>
<td>Percentage</td>
</tr>
<tr>
<td>Total consumption of toner cartridges</td>
<td>15,057</td>
<td>14,575</td>
<td>13,328</td>
<td>Units</td>
</tr>
<tr>
<td>% of toner cartridges used that are recycled</td>
<td>88.38</td>
<td>99.82</td>
<td>99.70</td>
<td>Percentage</td>
</tr>
</tbody>
</table>

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).
Each year, Bankia responds to the climate change questionnaire prepared by CDP, which evaluates the bank’s climate change strategy and management. The score obtained in 2016 was A- (the maximum score is A), which according to CDP’s criteria puts Bankia at leadership level.

CDP is an international NGO that provides the only global system that allows companies to report their environmental impacts and the measures they have taken to reduce them. Its assessments are used as a decision-making tool by 827 institutional investor signatories with a combined US$ 100 trillion in assets.

### ENERGY AND WATER CONSUMPTION

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
<th>UNITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total primary energy consumption</td>
<td>14,874</td>
<td>16,182</td>
<td>16,794</td>
<td>Gigajoules</td>
</tr>
<tr>
<td>Total natural gas consumption</td>
<td>10,841</td>
<td>12,644</td>
<td>11,674</td>
<td>Gigajoules</td>
</tr>
<tr>
<td>Total liquid fuel (oil and petrol) consumption</td>
<td>4,033</td>
<td>5,120</td>
<td></td>
<td>Gigajoules</td>
</tr>
<tr>
<td>Total electricity consumption</td>
<td>326,127</td>
<td>379,638</td>
<td>369,051</td>
<td>Gigajoules</td>
</tr>
<tr>
<td>Total water consumption</td>
<td>244,516</td>
<td>280,446</td>
<td>305,516</td>
<td>Cubic metres</td>
</tr>
</tbody>
</table>

1 Data for Bankia, S.A.
2 Figure for total electricity consumption. 100% of the electricity acquired was generated by renewable energy sources (green energy).

### EMISSIONS

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL SCOPE 1 EMISSIONS</td>
<td>3,743.5</td>
<td>3,632.3</td>
<td>3,348.1</td>
</tr>
<tr>
<td>Direct CO₂e emissions from natural gas consumption</td>
<td>616.6</td>
<td>717.9</td>
<td>662.8</td>
</tr>
<tr>
<td>Direct CO₂e emissions from fuel consumption</td>
<td>316.8</td>
<td>274.0</td>
<td>346.5</td>
</tr>
<tr>
<td>Direct CO₂e emissions from refrigerant gas recharging</td>
<td>2,810.1</td>
<td>2,640.4</td>
<td>2,338.8</td>
</tr>
</tbody>
</table>

### TOTAL SCOPE 2 EMISSIONS

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indirect CO₂e emissions from electricity consumption</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

### TOTAL SCOPE 3 EMISSIONS

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indirect CO₂e emissions from business trips</td>
<td>3,071.6</td>
<td>3,150.0</td>
<td>3,281.0</td>
</tr>
<tr>
<td>Indirect CO₂e emissions from commutes (Offbus shuttle service)</td>
<td>294.4</td>
<td>325.0</td>
<td>249.1</td>
</tr>
<tr>
<td>Indirect CO₂e emissions from commutes (Shared transport)</td>
<td>8.2</td>
<td>9.2</td>
<td>9.2</td>
</tr>
<tr>
<td>Indirect CO₂e emissions from consumption of paper (DIN A4) and printer cartridges</td>
<td>1,087.1</td>
<td>1,227.1</td>
<td>1,089.0</td>
</tr>
<tr>
<td>Indirect CO₂e emissions from water consumption</td>
<td>84.1</td>
<td>96.5</td>
<td>105.1</td>
</tr>
<tr>
<td>Indirect CO₂e emissions from waste management</td>
<td>26.2</td>
<td>32.1</td>
<td>19.2</td>
</tr>
</tbody>
</table>

### OTHER EMISSIONS

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO emissions</td>
<td>0.19</td>
<td>0.21</td>
<td>0.21</td>
</tr>
<tr>
<td>NOₓ emissions</td>
<td>1.41</td>
<td>1.55</td>
<td>1.53</td>
</tr>
</tbody>
</table>

1 Data for Bankia, S.A.
3 Global warming potentials for 100 years published in the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) (2013) have been considered.
4 100% of the electricity acquired was generated by renewable energy sources (green energy). This has prevented the emission of 36,236.4 tonnes of CO₂. Source: Electricity Labelling and Source Guarantee System (2015). National Markets and Competition Commission.
5 The emissions relating to business trips made by employees by plane, train and leased fleet vehicles were also included, as well as the emissions related to the mileage travelled by employees in their own vehicles, for work purposes. Widened in 2015 to include staff business trips by coach and boat.
WASTE MANAGEMENT

Consistent with the internal waste prevention strategy and aiming to avoid waste generation wherever possible, since 2013 the bank has been running campaigns to donate furniture and electrical and electronic equipment to a wide range of not-for-profit entities devoted to social causes and to schools. Such donations represent a major contribution to these entities’ social activities and avoids having these items sent to landfill. Over the last four years a total of 287 donations have been made.

In 2016 the bank started a project to recycle the writing materials (ballpoints, markers, etc.) used in the branches. Since October all employees and their families can send these materials by internal mail to the Las Rozas building, where they are delivered to Terracycle for recycling. The plastic and metal parts are thus given a second life by being fed back into the economy as raw materials for items such as street furniture.

<table>
<thead>
<tr>
<th>WASTE¹ (TONNES)</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>NON-HAZARDOUS WASTE SENT FOR REUSE OR RECYCLING</td>
<td>1,246.17</td>
<td>1,522.45</td>
<td>895.33</td>
</tr>
<tr>
<td>Paper waste²</td>
<td>688.99</td>
<td>683.06</td>
<td>812.20</td>
</tr>
<tr>
<td>Electronic waste³</td>
<td>498.32</td>
<td>785.84</td>
<td>38.90</td>
</tr>
<tr>
<td>Toner waste</td>
<td>38.39</td>
<td>37.16</td>
<td>33.90</td>
</tr>
<tr>
<td>Battery waste</td>
<td>0.21</td>
<td>0.25</td>
<td>0.14</td>
</tr>
<tr>
<td>Packaging waste</td>
<td>19.75</td>
<td>15.06</td>
<td>9.41</td>
</tr>
<tr>
<td>Glass waste</td>
<td>0.46</td>
<td>1.06</td>
<td>0.74</td>
</tr>
<tr>
<td>Vegetable oil waste</td>
<td>0.05</td>
<td>0.02</td>
<td>0.04</td>
</tr>
<tr>
<td>NON-HAZARDOUS WASTE SENT TO LANDFILL</td>
<td>0.06</td>
<td>2.10</td>
<td>11</td>
</tr>
<tr>
<td>Portable electronic device waste</td>
<td>0.06</td>
<td>2.04</td>
<td>10.6</td>
</tr>
<tr>
<td>Card waste</td>
<td></td>
<td>0.06</td>
<td>0.4</td>
</tr>
<tr>
<td>HAZARDOUS WASTE GENERATED</td>
<td>0.68</td>
<td>0.77</td>
<td>0.65</td>
</tr>
<tr>
<td>Hazardous waste handled by an authorised waste management company and recycled</td>
<td>0.65</td>
<td>0.76</td>
<td>0.32</td>
</tr>
<tr>
<td>Hazardous waste handled by an authorised waste management company and sent to secure landfill</td>
<td>0.03</td>
<td>0.01</td>
<td>0.33</td>
</tr>
</tbody>
</table>

1 Data for Bankia, S.A.
2 In 2016, Bankia undertook several extraordinary, one-time projects that entailed the generation of 269.9 t of paper, which was sent to be recycled.
3 In 2016, Bankia undertook several extraordinary, one-time projects that entailed the generation of 18.5 t of electronic waste, which was sent to be recycled.
ENIRONMENTAL AWARENESS RAISING

With the aim of spreading the environmental culture among the bank’s professionals, in 2016 the Individual Training Plan of 9,845 employees included an online course on Environmental Management, which entailed a total of 3,954 hours of training.

Efforts are made to encourage employee involvement by publicising environmental news and good practices and creating internal forums. Important environmental events are announced internally and externally through the Bankia Blog.

Environmental content was prepared for the corporate portal bankia.com for two purposes: to communicate Bankia’s environmental commitment and objectives and the action taken to achieve them, and to raise environmental awareness among the bank’s professionals and among stakeholders.

To foster collaboration with those of its suppliers whose activity has the greatest environmental impact, Bankia continues to offer one-day training and awareness events, at which it provides basic information about environmental regulations, environmental management and good practices. These events are also an open forum for dialogue aimed at continuous improvement, making Bankia a more sustainable and more committed organisation.

The Bankia Voluntarios portal fosters environmentally responsible behaviour and offers employees and their families an opportunity to take part in social and environmental activities, such as reforestation, biodiversity conservation and organic agriculture projects, including the La Huerta project run by Fundación Juan XXIII Roncalli, a leading centre for the integration of people with intellectual disabilities.

NUMBER OF EMPLOYEES WHO RECEIVED ENVIRONMENTAL AWARENESS TRAINING

2,686

TONNES OF CO₂ AVOIDED BY SOURCING ELECTRICITY FROM RENEWABLE SOURCES

36,236.4 tn
SUPPLIER ASSESSMENT

In the course of the assessment process, suppliers must answer specific questions about their environmental management and demonstrate an awareness of the environmental principles that must govern their relationship with Bankia; they also receive information about good environmental practices.

The suppliers with the greatest environmental impact have the possibility of participating in training actions aimed at generating a dynamic of improvement that will make Bankia a steadily more sustainable and more environmentally committed organisation.

A FOUR-YEAR HORIZON

Bankia is working on the design of an environmental plan for the bank as a whole, including specific targets for eco-efficiency, climate change, certified environmental management, employee environmental training and collaboration with suppliers. Over a four-year horizon (2017-2020), the plan sets ambitious but realistic targets, while at the same time tracing the path to be followed in order for Bankia, as a company, to contribute to the achievement of one of the global targets for the 21st century: carbon neutrality by 2050.

Strategic lines
For Bankia’s future Eco-Efficiency and Climate Change Plan.

Target for reduction in energy consumption by 2019.

Reduction in water consumption in 2020.
The bank’s future Eco-Efficiency and Climate Change Plan will be structured based on various lines of strategy, each of which will be oriented to the achievement of specific qualitative and quantitative targets:

- Increase in the number of Bankia’s emblematic buildings with a certified environmental management system.
- Reduction of CO₂ emissions and offsetting of unavoidable emissions.
- Reduction of energy consumption (19%), water consumption (5%) and paper and toner consumption (5%) in 2019.
- Search for new alternatives to the main types of waste generated in the context of the circular economy and change of model in waste management, considering waste as a type of raw material.
- Promotion of respect for the environment and transition towards a low-carbon economy, affecting the purchases and supplies that entail the greatest environmental risk and impact.
- Extension of a culture of environmental commitment to the entire organisation through training and awareness raising.

The group will review this plan each year to adapt it as necessary to the organisational context, any new environmental challenges or opportunities that may arise and the latest technological advances. Within the framework of the plan, Bankia has set itself a series of objectives for 2017:

- Renew the environmental certification of the Valencia headquarters, the operating headquarters in Madrid and the Las Rozas building in accordance with the new ISO 14001:2015 standards.
- Register the bank’s carbon footprint at the Ministry of Agriculture, Fisheries, Food and the Environment and obtain the Ministry’s seal (“Calculo, Reduzco y Compenso”).
- Source 100% of electricity from renewable sources.
- Offset CO₂ emissions through direct purchase of tonnes of CO₂ or through collaboration in offsetting projects.
- Design and implement a corporate app: a calculator for measuring a household’s carbon footprint.

BANKIA is working on the design of an environmental plan for the bank as a whole, including specific targets for eco-efficiency, climate change, certified environmental management, employee environmental training and collaboration with suppliers.