

## Guide for the agriculture sector

Within its Risk Management and Control Framework, Bankinter has defined investment sustainability principles regarding financing in particularly controversial or risk sectors, and whose social and environmental impact may be significant. To this end, it has drafted "Sustainable Investment Guides" that allow it to establish the measures and references that the Bank will follow in its decision-making, always taking into account, and when possible, the best international practices and standards.

These guidelines reflect Bankinter's commitment to sustainable development and the importance that the Bank attaches to the monitoring of good practices by its customers. The ultimate goal of these policies is to boost a transition of clients towards the best social, economic and environmental practices in the countries and communities in which they operate.

Among the sectors mentioned above, the agricultural sector is identified as one of those that generate the greatest environmental, economic and social impact. Bankinter expects companies in the sector to comply with and develop their projects in accordance with existing local laws, as well as with international agreements ratified by the countries in which they operate.

In addition, the Bank recognises the importance of the risks and impacts associated with activities within the agricultural sector, and therefore will pay special attention to:

- Operations in countries (according to the principles of Ecuador) that are not within a solid legislative framework in social and environmental matters, and that do not have legislation and basic institutional capacity to protect their population and the natural environment, in the following subsectors: wood, cellulose pulp and paper, palm oil, soy, biofuels and livestock activities.
- Due diligence is applied to the products obtained by the genetic modification of seeds and plants, focusing on the monitoring, transparency and commitment of the interested parties.
- They have health and safety plans for their employees, including training in the use of agrochemicals.
- They have a plan for monitoring and reducing emissions of greenhouse gases including carbon dioxide (CO<sub>2</sub>) and Methane (CH<sub>4</sub>).

In addition, the Bank will positively value companies obtaining the ISO 14001 certification.

Within the framework of analysing the risks described above, Bankinter supports and takes as a reference international initiatives that propose greater transparency and control of the sector, which include:

- Specific guidelines in the agri-food and food production sectors of the International Finance Corporation (IFC), a World Bank Group company.
- The voluntary guidelines on the responsible governance of tenure of land, fisheries and forests in the context of national food safety.
- The FAO-OECD Guidance for Responsible Agricultural Supply Chains.
- The GLOBAL G.A.P. global standard for Good Agricultural Practices.

Following the principles and values on which Bankinter bases its growth, the Bank undertakes not to provide its financial services to projects and activities in the agricultural sector when there is concrete evidence that they are:

- Companies with evidence that fundamental human rights are not respected or supported, following the Universal Declaration of Human Rights of the United Nations.
- Companies that do not respect or do not support employment rights, in general and particularly the rights on child labour, discrimination and forced labour, based on the principles of the fundamental Conventions of the International Labour Organisation (ILO).
- The project is in declared zones of high ecological and/or social value according to the main international organisations.
- The activity or company does not have a policy on the use of pesticides and fertilisers in large projects.
- The project is related to the extraction and sale of native species of wood that do not have an ecological certificate issued by an independent body.

Finally, in the case of projects related to the production of palm oil, certification from the Roundtable on Sustainable Palm Oil (RSPO) will be required. This certification is only limited to the production of palm oil and not t end products and manufacturing processes that use palm oil.