

Social Bond Report

October 2020



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01.



Executive Summary

Executive Summary

In September 2019, CaixaBank became the first-ever Spanish bank to issue a Social Bond in **support of the United Nations Sustainable Development Goals (SDGs)** and CaixaBank's mission, which is to **"contribute to the financial well-being of our customers and to the progress of society"**

160,945 LOANS

ISSUANCE SUMMARY

- **Inaugural Social Bond 5yr**; €1bn in Senior Non-Preferred Notes ("SNP") issued by CaixaBank, S.A. (XS2055758804).
- **Rated Baa3/BBB/BBB+/AL**, by Moody's/S&P/Fitch/DBRS.
- First transaction framed within **the Sustainable Development Goals (SDGs) Framework published in August 2019**. Second-party opinion by Sustainalytics⁽⁵⁾.
- **The inaugural Social Bond** is aligned with the Social Bond Principles 2018.
- **Net proceeds will be allocated to eligible assets originated up to 3 years before the year of issuance (2019).**



by Environmental Finance (Bond Awards 2020)
For the Inaugural Social Bond (Sep-2019) under the SDG Framework



ALLOCATION OF NET PROCEEDS



147,868 loans granted to **individuals or families**

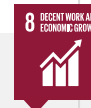
Access to financial services for underserved populations with combined income of €17,200 or less⁽¹⁾, without any collateral or guarantee⁽²⁾.

Loans granted by MicroBank, the leading micro-credit institution in Spain and a reference in Europe created in 2007.



13,077 loans to **self-employed workers without any collateral or guarantee, micro-enterprises and SMEs⁽³⁾**.

Loans granted to the most economically disadvantaged provinces of Spain (either ranking in the bottom 30th percentile in GDP/capital or in the top 30th in unemployment).



- As at 31 of March 2020, Eligible Social Portfolio encompassing "SDG 1: No Poverty" and "SDG 8: Decent Work and Economic Growth" and that meets CaixaBank SDG Framework Criteria represents €2.1 Bn, of which €1,000 M has been allocated to the inaugural Social Bond net proceeds (**50% SDG1 and 50% SDG8**).
- **CaixaBank has allocated 25%** of net proceeds to new financing⁽⁴⁾: assets originated in 2019.

1) To determine income levels, MicroBank considers the poverty threshold of the Spanish National Statistics Institute (INE) for a family with two children along with the Public Multi-Purpose Income Indicator (IPREM). Applicable threshold at issuance for 2019.
2) Further details available on pages 38-44 of the MicroBank 2019 Annual Report (https://www.microbank.com/deployedfiles/microbank/pdf/Informe_Anual_2019_en.pdf) and the CaixaBank Sustainable Development Goals (SDGs) Framework (https://www.caixabank.com/deployedfiles/caixabank/Estaticos/PDFs/Inversores_institucionales/2019CaixaBankSDGsFramework.pdf)
3) Small and medium-sized enterprises as defined by the European Commission (https://ec.europa.eu/growth/smes/sme-definition_en).
4) New financing: all assets originated in the year of issuance and thereafter. See Appendix II: Methodology for a detailed definition (page 28).
5) https://www.caixabank.com/deployedfiles/caixabank/Estaticos/PDFs/Inversores_institucionales/CaixaBankSDGsFramework-SustainalyticsSecondPartyOpinion.pdf

Key Social Bond Impacts

160,945 loans have been granted to 151,681 beneficiaries, of whom **139,731** are families (349,328 indirect beneficiaries)⁽¹⁾ and **11,950** are self-employed workers and companies

FAMILIES / INDIVIDUALS



SELF-EMPLOYED, MICRO-ENTERPRISES AND SMEs



- > **87%** borrowers claim that the loan has had a **positive impact on their lives increasing their well-being and helping them achieve their goals.**
- > **79%** borrowers have been able to **increase or maintain their savings** capacity.
- > **59%** loans to beneficiaries located in **areas** where the **population is at risk of poverty⁽²⁾**, total amount **€299 M.**
- > **15%** loans to beneficiaries located in **rural areas⁽²⁾**, total value of **€75 M.**

> Global impact on the Spanish economy⁽³⁾:

€1,480M
contributed to
Spanish GDP.
Every **€1M** invested
in the social bond
contributes
€2.97M to GDP.

8,207 jobs created,
of which **2,591** are direct, **2,855**
indirect and **2,761** induced. This
implies that for every **€1M**
invested in the social bond
approximately **16 jobs**
are created.

- > **More than 1,000 newly-created companies**, supported through the loans **€61 M** granted (12% of the total).
- > **18%** loans to beneficiaries located in **rural areas⁽²⁾ (3)**, for a total value of **€62 M (12% of the total).**
- > More than **60%** of the borrowers claim that the **loans have helped them start up or strengthen their business.**
- > **86%** of borrowers **requested the loan directly from CaixaBank.**

METHODOLOGY⁽⁴⁾ APPLIED TO MEASURE THE IMPACT OF THE CAIXABANK SOCIAL BOND:



Data collected by conducting
surveys among borrowers (on
the loans – proceeds allocated to
the Social Bond).



Input-output methodology
used to calculate the impact of
the loans on the Spanish
economy.



This Social Bond Impact Report
has been calculated in
collaboration with an external,
independent consultant (Deloitte).

1) Number of indirect beneficiaries, on the assumption that an average family has 2.5 members, according to statistical data. (Source: INE)
https://www.ine.es/dyngs/INEbase/es/operacion.htm?c=Estadistica_C&cid=1254736176952&menu=ultiDatos&idp=1254735572981.

2) See Appendix II: Methodology for a detailed definition and explanation of the calculation (page 29).

3) Calculated from surveys using input-output methodology. See Appendix II: Methodology for a definition and explanation of the calculation (pages 34 to 36).

4) See Appendix II: Methodology for a definition and explanation of the calculation (pages 28 to 36).

02.



Allocation Report

Use of proceeds

CaixaBank has selected projects that meet Eligibility Criteria regarding certain Sustainable Development Goals (SDG 1, SDG 8), as identified in the CaixaBank Sustainable Development Goals (SDGs) Framework⁽¹⁾. Allocation of proceeds by SDG has been as follows:

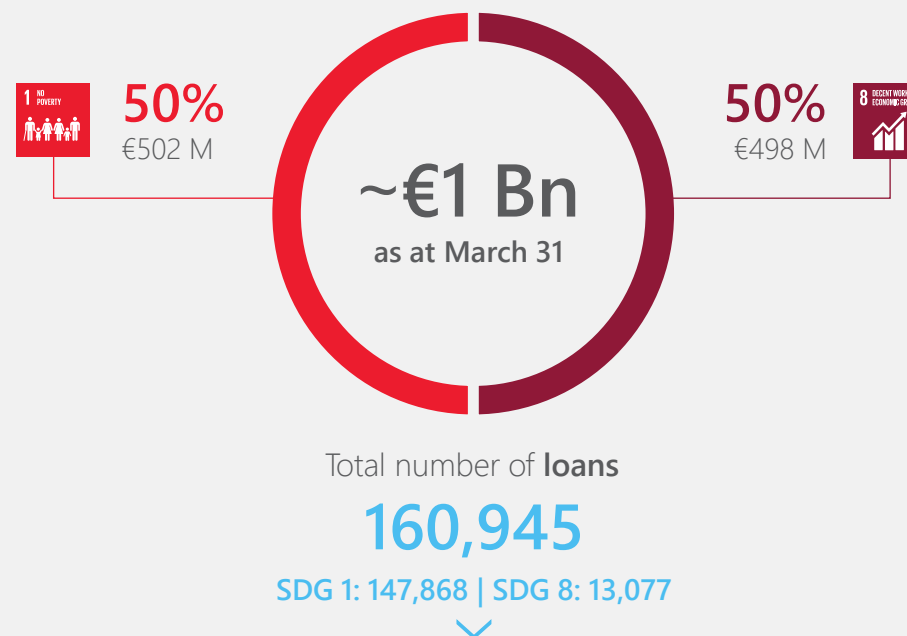
NO POVERTY

ICMA SBP Category: Access to essential services

- > The objective is to increase access to financial services for underserved populations. This is achieved through micro-loans and lending with a social impact, contributing to create employment and equality. MicroBank, the Group's social bank, is a leader in the field of social inclusion.
- > Eligible Projects include:
 - > Loans under the MicroBank umbrella to individuals or families located in Spain with combined annual income of €17,200 or less, without any collateral or guarantee.

TARGET 1.4

By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.



DECENT WORK AND ECONOMIC GROWTH

ICMA SBP Category: Employment generation including through the potential effect of SME financing and microfinance

- > The objective is to provide bank financing that promotes the growth of micro, small and medium-sized businesses in the most economically disadvantaged regions in Spain (either ranking in the bottom 30th percentile in GDP per capita or in the top 30th in unemployment rate).
- > Eligible Projects include:
 - > Personal loans without any collateral or guarantee for self-employed workers.
 - > The financing of micro-enterprises and SMEs as per the European Commission definition.

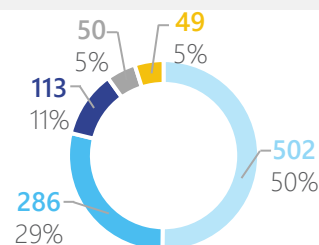
TARGET 8.10

Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.



LOANS: BY TYPE OF BORROWER

(Millions of €)

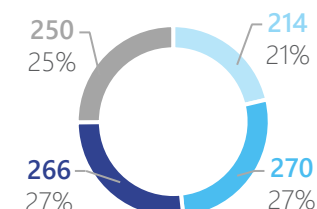


- Families
- Micro-enterprises
- Small-sized enterprises
- Self-employed
- Medium-sized enterprises



LOANS: BY VINTAGE

(Millions of €)



- 2016
 - 2017
 - 2018
 - 2019
- Refinancing
- New financing

1) Projects have been selected with regard also to the non-eligible activities indicated within the CaixaBank Sustainable Development Goals (SDGs) Framework.





Breakdowns of the amount allocated to SDG 1

All net proceeds have been allocated to loans granted by MicroBank, a 100% social bank created in 2007. In the period 2017-2019, MicroBank granted more than €1 Bn in microcredits to families, entrepreneurs and small businesses. It is a leading micro-credit institution in Spain and a benchmark in Europe, with support from the following Institutions: the European Investment Fund, the European Investment Bank and The Council of Europe Development Bank. Lending to this target population promotes social inclusion of vulnerable beneficiaries, offers equals opportunities and provides access to financial services.



FAMILIES / INDIVIDUALS

€ 5 0 2 M



147,868

Number of loans



139,731

Number of borrowers



€3,395

Average € / loan



2.3 years

Average life of loans ⁽¹⁾



45 years

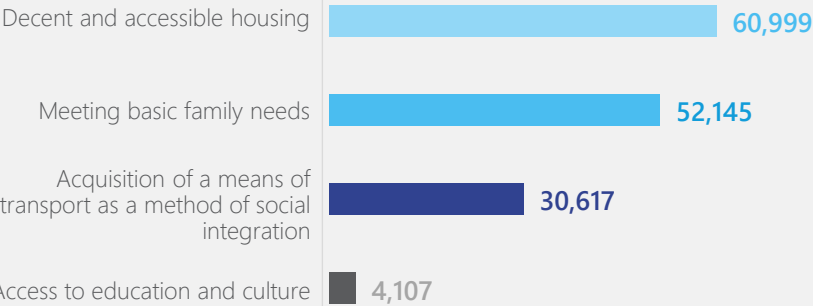
Average age of borrowers



50 %

Women beneficiaries

LOANS BY SOCIAL CATEGORY

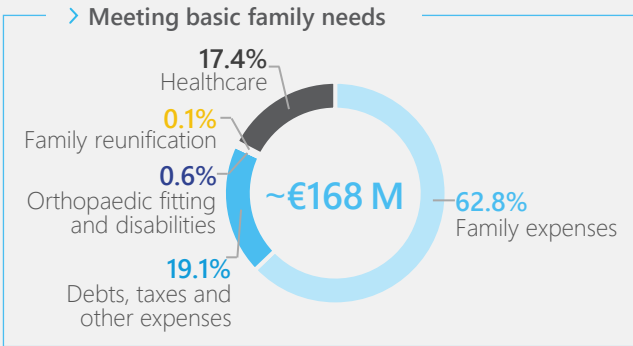


All indicators have been calculated from CaixaBank's databases

1) See Appendix II: Methodology for a detailed definition and explanation of the calculation (page 28).

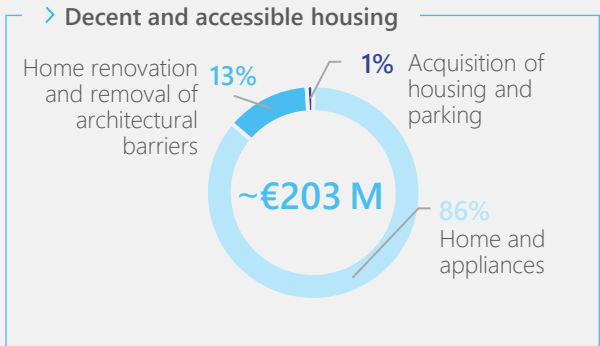
BREAKDOWN BY SOCIAL CATEGORY

(Millions of €)



~€13 M

> Access to education and culture



~€118 M

> Acquisition of a means of transport as a method of social integration

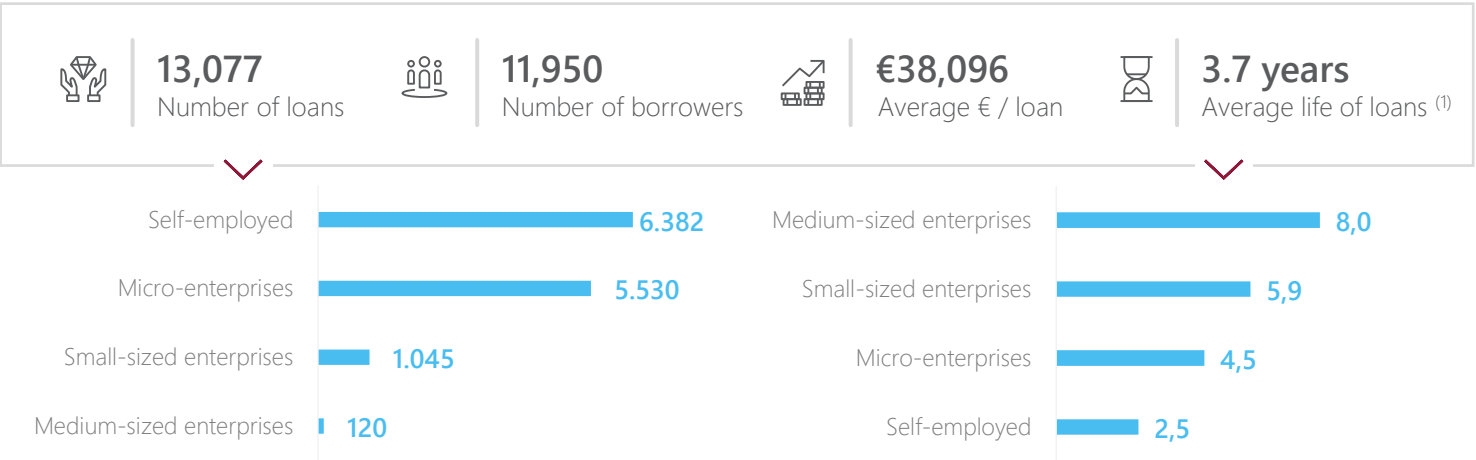


Breakdowns of the amount allocated to SDG 8

Focused on promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. CaixaBank's first Social Bond include loans and microcredits granted to self-employed workers, micro businesses and small businesses operating in Spanish provinces in the bottom 30th percentile in terms of either GDP per capita or in the top 30th percentile in terms of unemployment rate.



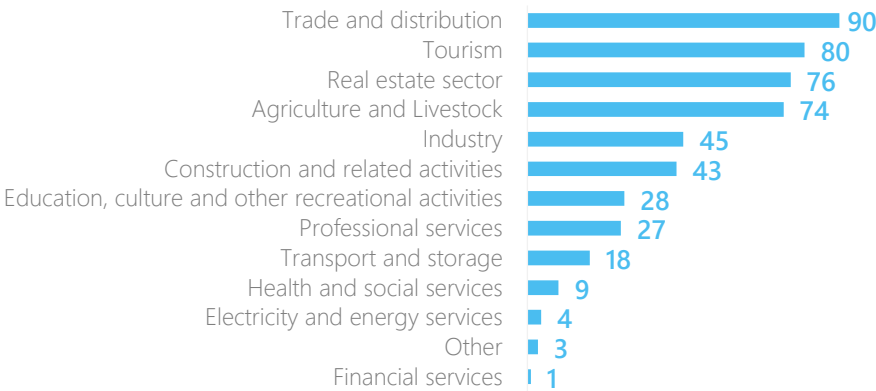
SELF-EMPLOYED, MICRO-ENTERPRISES AND SMES



€ 498 M

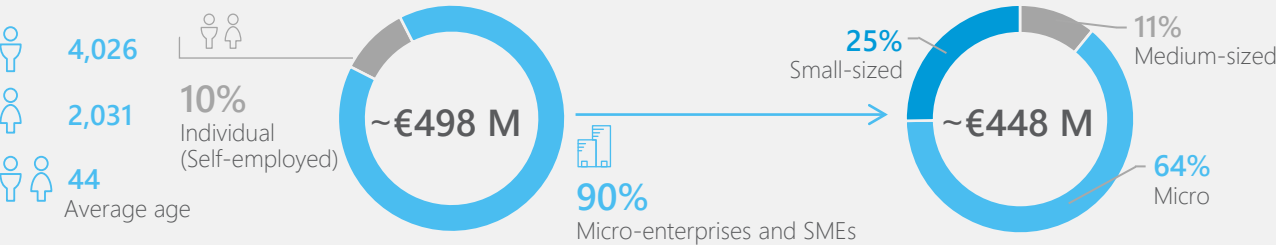
BREAKDOWN BY ECONOMIC ACTIVITY

(Millions of €)



LOANS BY TYPE OF BORROWER AND VOLUME GRANTED

(Millions of €)



KEY MACROECONOMIC INDICATORS ⁽²⁾

	Spain	Eligible provinces ⁽³⁾	Eligible pool average
Population	47.3 M	15.7 M	33%
GDP/capita	€24,969	< €19,665	€18,937
Unemployment rate	13.78%	> 16.69%	19.7%

1) See Appendix II: Methodology for a detailed definition and explanation of the calculation (page 28).
2) Jan-20 for Population, Dec-19 for Unemployment rate and Dec-17 for GDP/capita. Source: INE (National Institute of Statistics).
3) Includes 20 provinces that comply with the eligible criteria out of a total of 52 provinces in Spain (including the autonomous cities of Ceuta and Melilla).



03.



Social Bond Impact Report



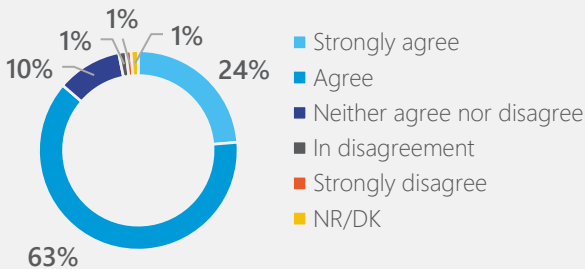
Social Bond Impact - SDG 1

Most borrowers claim that the loan has had a positive impact on their lives by increasing their well-being and helping them achieve their goals



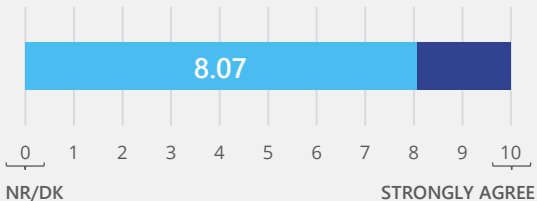
Positive impact of funding received

> The financial support received has had a positive impact on my personal well-being and/or that of a family member



"87% CLAIM TO HAVE EXPERIENCED A POSITIVE IMPACT ON THEIR PERSONAL/FAMILY WELL-BEING"

Intensity score | out of 10 ⁽¹⁾



Intensity score = weighted average of replies using the following scale

- > Strongly agree = 5
- > Agree = 4
- > Neither agree nor disagree = 3
- > Disagree = 2
- > Strongly disagree = 1
- > NR/DK = 0

THE HIGHER THE SCORE, THE MORE THE LOANS ARE CONSIDERED TO HAVE A POSITIVE IMPACT

The loans help to foster equal opportunities, facilitating financing for people with limited resources and increasing family well-being



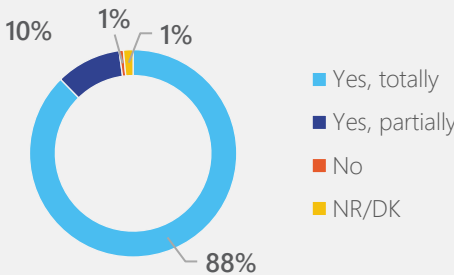
Loans granted in areas with population at risk of poverty ⁽²⁾

> Number of loans	86,803
> Number of borrowers	71,116
> Total amount	€299 M



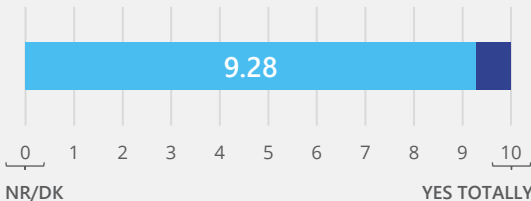
Impact of funding on the achievement of objectives

> Would you say you have met the need / needs for which you applied for the loan?



"98% CLAIM TO HAVE ACHIEVED THEIR GOALS"

Intensity score | out of 10 ⁽¹⁾



Intensity score = weighted average of replies using the following scale

- > Yes, totally = 2
- > Yes, partially = 1
- > No = 0
- > NR/DK = 0

THE HIGHER THE SCORE, THE MORE THE LOANS ARE CONSIDERED TO BE THE FIRST OPTION FOR THE BORROWERS

Given the profile of the borrowers, external financing is needed in order to satisfy basic needs



Loans granted in rural areas ⁽²⁾

> Number of loans	21,718
> Number of borrowers	20,572
> Total amount	€75 M

1) See Appendix II: Methodology for a detailed definition and explanation of the calculation (page 33).
2) See Appendix II: Methodology for a detailed definition and explanation of the calculation (page 29).



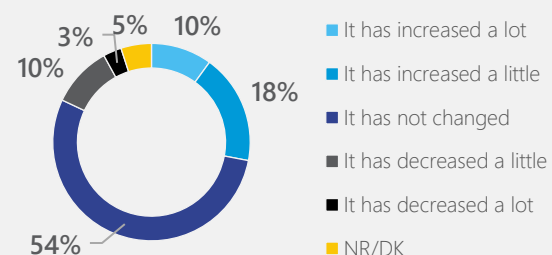
Social Bond Impact - SDG 1

Most of the borrowers have been able to maintain and, in some cases, increase their ability to save thanks to the loan



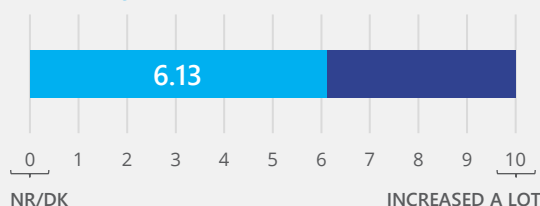
Improvement of the liquidity situation

> After receiving the loan, how would you say your ability to cope with unforeseen expenses has changed?



"SOME BORROWERS CLAIM THEY ARE BETTER ABLE TO COPE WITH UNFORESEEN EXPENSES"

Intensity score | out of 10 ⁽¹⁾



Intensity score = weighted average of replies using the following scale

- > It has increased a lot = 5
- > It has increased a little = 4
- > It has not changed = 3
- > It has decreased a little = 2
- > It has decreased a lot = 1
- > NR/DK = 0

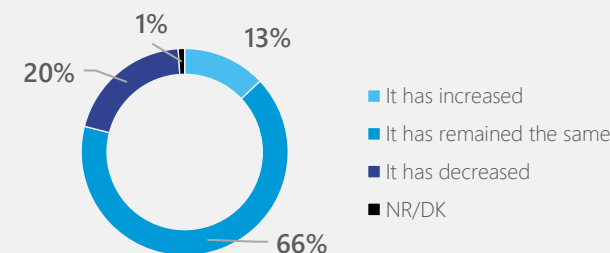
THE HIGHER THE SCORE, THE MORE THE LOANS ARE CONSIDERED TO HAVE AN IMPACT ON THE ABILITY TO COPE WITH UNFORESEEN EXPENSES

Some families struggle to cope with unforeseen expenses and undertake specific projects and so financial aid is essential to help them cover their basic needs



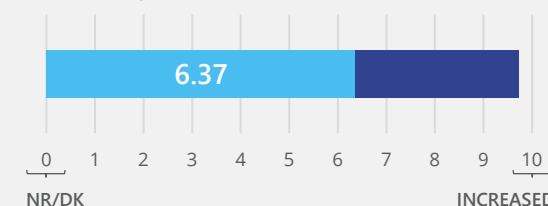
Increase in savings capacity

> In the last 12 months, how has your ability to save changed?



"79% CLAIM THAT THEIR ABILITY TO SAVE HAS INCREASED OR REMAINED THE SAME"

Intensity score | out of 10 ⁽¹⁾



Intensity score = weighted average of replies using the following scale

- > It has increased = 3
- > It has remained the same = 2
- > It has decreased = 1
- > NR/DK = 0

THE HIGHER THE SCORE, THE MORE THE LOANS ARE CONSIDERED TO HAVE AN IMPACT ON THE ABILITY TO SAVE

Financing families and individuals helps them generate and retain savings for future contingencies

1) See Appendix II: Methodology for detailed definition and explanation of the calculation (page 33).





Social Bond Impact - SDG 8

For most borrowers, CaixaBank was their first choice to support and boost their businesses

GENERAL (SELF-EMPLOYED AND COMPANIES)



Number of beneficiaries who had first approached other entities for a loan before approaching CaixaBank

This kind of business faces many challenges in order to succeed.

Access to external finance remains key for businesses to cover their needs⁽¹⁾

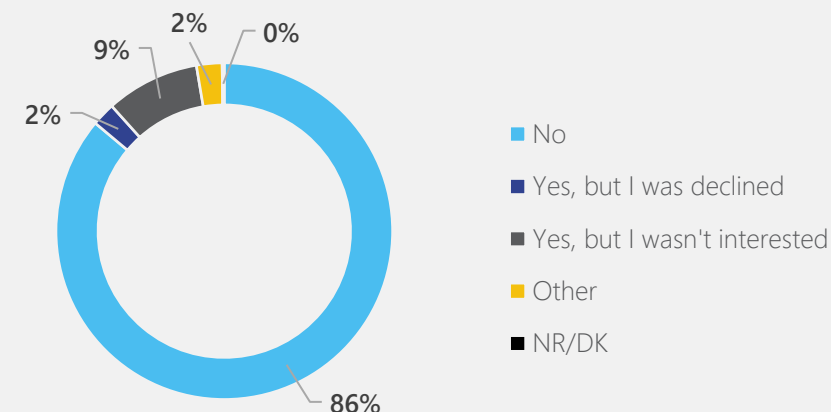


Loans granted in rural areas ⁽²⁾

➤ Number of loans	2,551
➤ Number of borrowers	2,346
➤ Total amount	€62 M

➤ Before applying for the loan, had you requested it from other entities?

**"86%
OF BORROWERS
REQUESTED THE
LOAN DIRECTLY
FROM
CAIXABANK"**



THE GRANTING OF LOANS AIMED AT CREATING OR EXPANDING BUSINESS PROJECTS HAS A DIRECT IMPACT ON IMPROVING THE EMPLOYMENT AND ECONOMIC SITUATION OF THE BORROWERS WHILE HELPING TO CREATE JOBS

1) Source: European Central Bank (2020): Survey on the Access to Finance of Enterprises in the euro area - October 2019 to March 2020

<https://www.ecb.europa.eu/stats/accesstofinancesofenterprises/pdf/ecb.safe202005:c4b89a43b9.en.pdf>

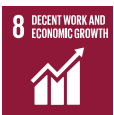
2) See Appendix II: Methodology for a detailed definition and explanation of the calculation (page 29).



Indicator calculated from surveys



Indicator calculated from CaixaBank's databases



Social Bond Impact - SDG 8

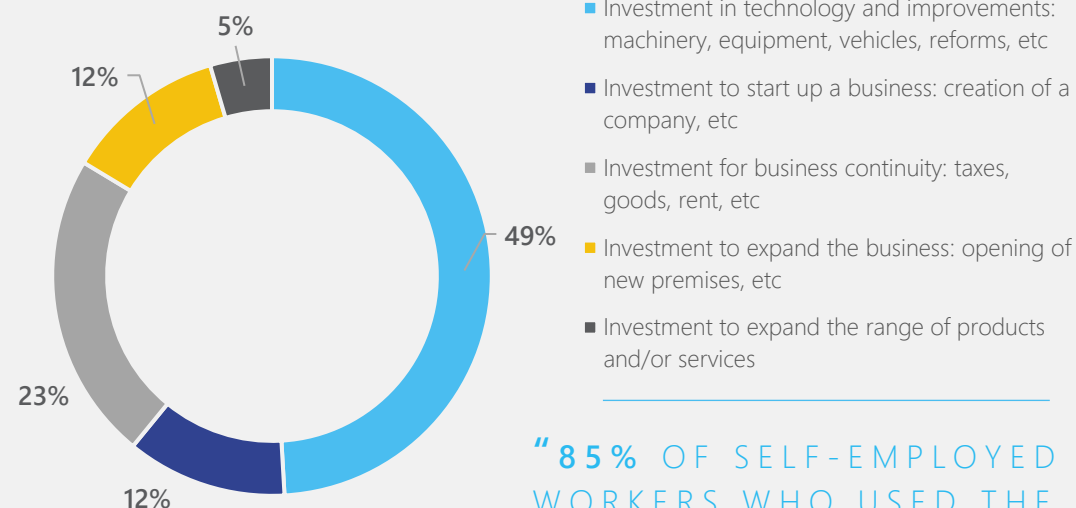
Most of the self-employed workers who launched a business would not have been able to do so without the loan

SELF-EMPLOYED



Purpose of the loan

> What was the purpose of the loan?

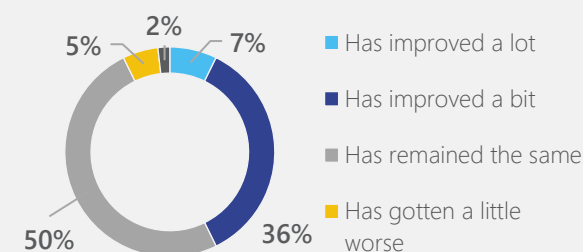


"85% OF SELF-EMPLOYED WORKERS WHO USED THE LOAN TO LAUNCH A BUSINESS CLAIM IT WOULD NOT HAVE BEEN POSSIBLE WITHOUT THE LOAN"



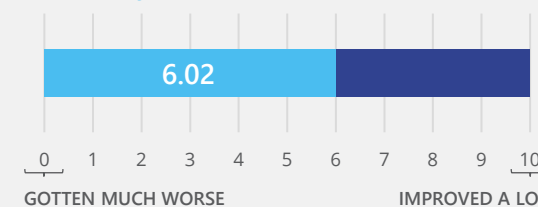
Positive impact of funding received

> After the loan was granted, would you say that your quality of life has improved?



"43% OF SELF-EMPLOYED WORKERS BELIEVE THAT THE LOANS HAVE HAD A POSITIVE IMPACT ON THEIR WELL-BEING"

Intensity score | out of 10 ⁽¹⁾



Intensity score = weighted average of replies using the following scale

- > Has improved a lot = 4
- > Has improved a bit = 3
- > Has remained the same = 2
- > Has gotten a little worse = 1
- > Has gotten much worse = 0

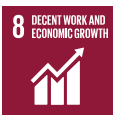
THE HIGHER THE SCORE, THE MORE THE LOANS ARE CONSIDERED TO HAVE A POSITIVE IMPACT

Self-employed workers tend to rely heavily on financing.
This has an impact on their quality of life and well-being.



Indicator calculated from surveys

1) See Appendix II: Methodology for a detailed definition and explanation of the calculation (page 33).



Social Bond Impact - SDG 8

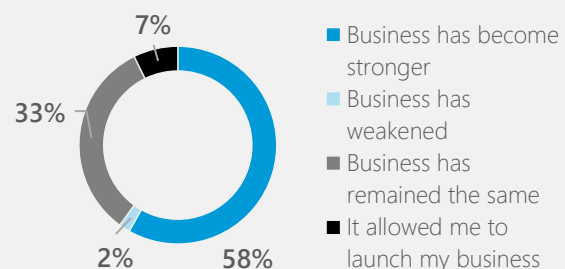
More than half of the activities financed have become stronger and more valuable

SELF-EMPLOYED



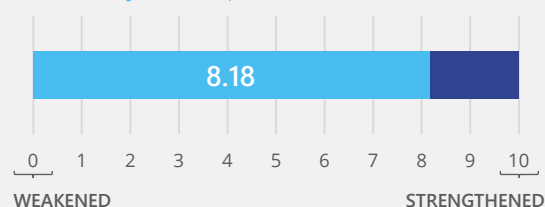
Impact on business strength

➤ How did the loan impact your business 12 months after it was granted?



"65% BELIEVE THAT THE LOANS HAVE HAD A POSITIVE IMPACT ON THE STRENGTH OF THEIR EXISTING BUSINESS, OR ON THEIR ABILITY TO LAUNCH A BUSINESS"

Intensity score | out of 10 ⁽¹⁾



Intensity score = weighted average of replies using the following scale

- Business has become stronger = 2
- It allowed me to launch my business = 2
- Business has remained the same = 1
- Business has weakened = 0

THE HIGHER THE SCORE, THE MORE THE LOANS ARE CONSIDERED TO HAVE A IMPACT ON BUSSINESS STRENGTH

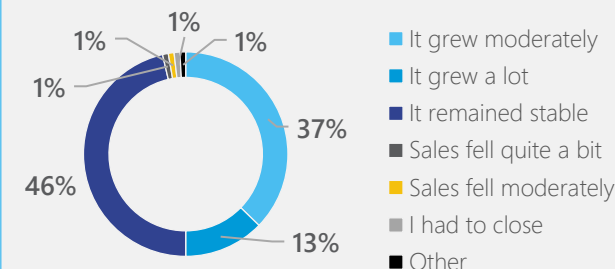
Most activities must contend with unforeseen expenses, so **financing helps to strengthen the business**

1) See Appendix II: Methodology for a detailed definition and explanation of the calculation (page 33).



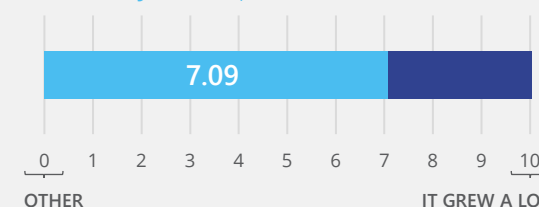
Impact on business growth after the loan was granted

➤ How did the loan affect the growth of your business 12 months after it was granted?



"50% BELIEVE THAT THE LOAN HAD A POSITIVE IMPACT ON THE GROWTH OF THEIR BUSINESS"

Intensity score | out of 10 ⁽¹⁾



Intensity score = weighted average of replies using the following scale

- It grew a lot = 5
- It grew moderately = 4
- It remained stable = 3
- Sales fell moderately = 2
- Sales fell quite a bit = 1
- Other = 0

THE HIGHER THE SCORE, THE MORE THE LOANS ARE CONSIDERED TO HAVE AN IMPACT ON BUSINESS GROWTH

External funding fosters business growth, **leading to more sustainable and valuable businesses**



Indicator calculated from surveys



Social Bond Impact - SDG 8

2 out of 3 companies that used the loan to launch an activity claim that they would have not succeeded without the loan

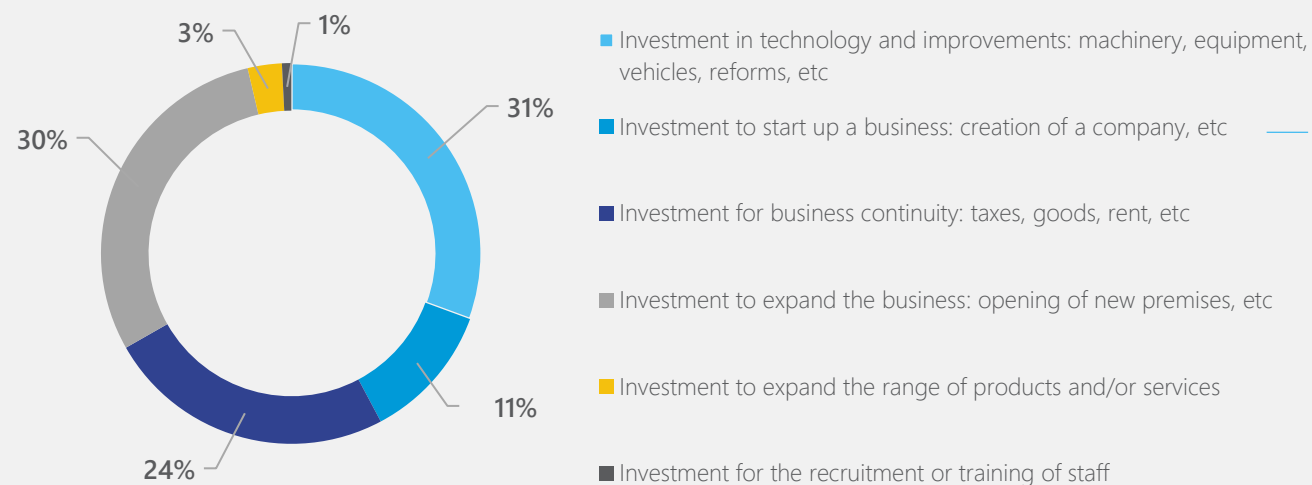
GENERAL FOR COMPANIES



Purpose of the loan

> What was the purpose of the loan?

"EVERY COMPANY THAT APPLIED THE LOAN FUNDS FOR RECRUITMENT OR PERSONNEL TRAINING CLAIMS THAT IT WOULD HAVE NOT BEEN ABLE TO DO SO WITHOUT THE LOAN"



1,046 

Companies financed are **newly created**⁽¹⁾

18% of total companies
€61 M (12% of the total)

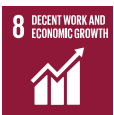
1) See Appendix II: Methodology for a detailed definition and explanation of the calculation (page 31).



Indicator calculated from surveys



Indicator calculated from CaixaBank's databases



Social Bond Impact - SDG 8

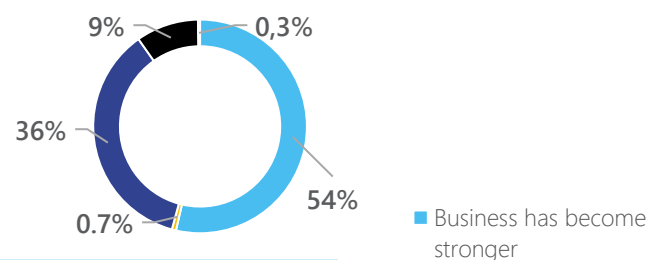
More than 60% of borrowers claim that the loan allowed them to launch their business or strengthen their existing business



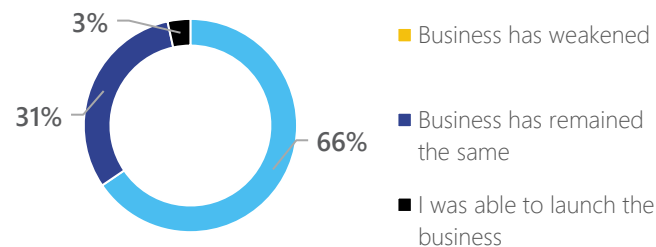
Impact on business strength

> How did the loan impact the business in the 12 months after it was granted?

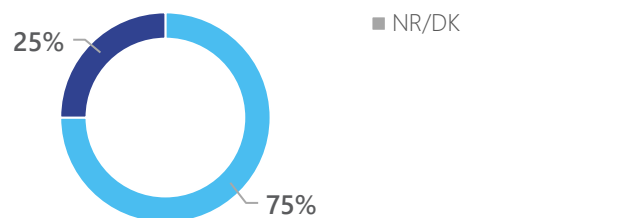
MICRO-ENTERPRISES



SMALL-SIZED ENTERPRISES

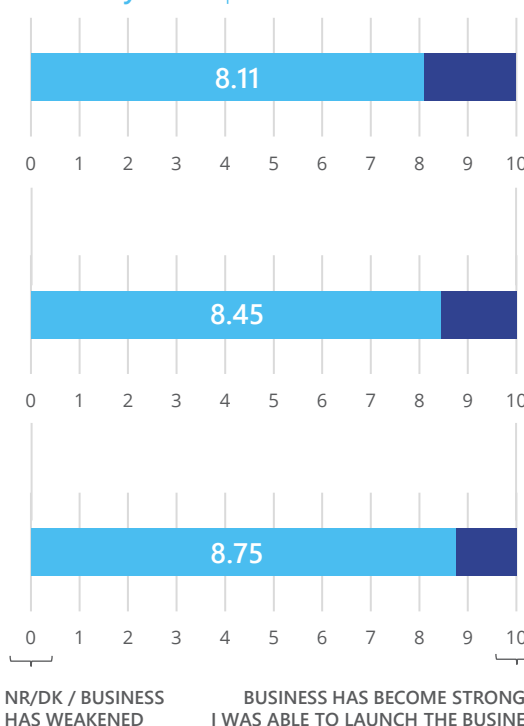


MEDIUM-SIZED ENTERPRISES



- Business has become stronger
- Business has weakened
- Business has remained the same
- I was able to launch the business
- NR/DK

Intensity score | out of 10 ⁽¹⁾



Thanks to the funding,
the companies have increased their financial health

"3 OUT OF 4 MEDIUM-SIZED ENTERPRISES CLAIM TO HAVE STRENGTHENED THEIR BUSINESSES THANKS TO THE LOAN"

Intensity score = weighted average of replies using the following scale

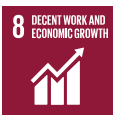
- > Business has become stronger = 2
- > I was able to launch the business = 2
- > Business has remained the same = 1
- > Business has weakened = 0
- > NR/DK = 0

THE HIGHER THE SCORE, THE MORE THE LOANS ARE CONSIDERED TO HAVE AN IMPACT ON BUSINESS STRENGTH

1) See Appendix II: Methodology for a detailed definition and explanation of the calculation (page 33).



Indicator calculated from surveys



Social Bond Impact - SDG 8

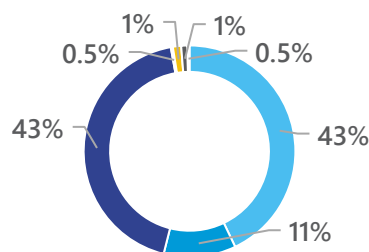
Almost all companies claim they have been able to maintain, and in some cases grow their businesses thanks to the loan



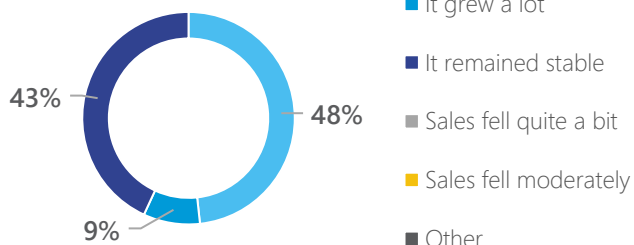
Impact on business growth after the loan was granted

> How did the loan affect the growth of the business 12 months after it was granted?

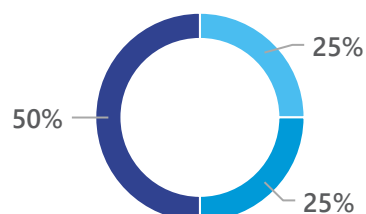
MICRO-ENTERPRISES



SMALL-SIZED ENTERPRISES



MEDIUM-SIZED ENTERPRISES



It grew moderately

It grew a lot

It remained stable

Sales fell quite a bit

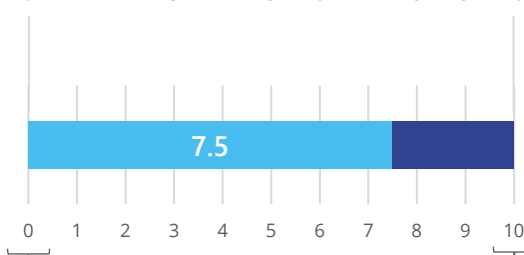
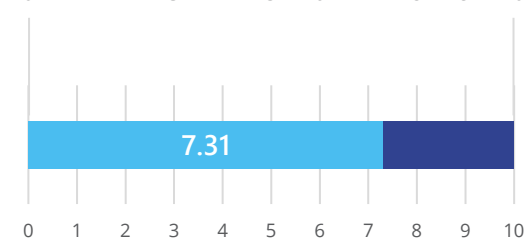
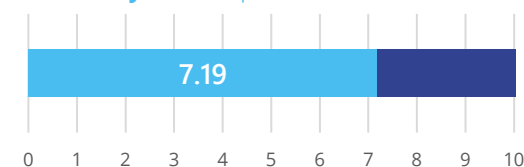
Sales fell moderately

Other

No answer



Intensity score | out of 10 ⁽¹⁾



OTHER

IT GREW A LOT

"NEARLY ALL OF THE FINANCED COMPANIES HAVE BEEN ABLE TO KEEP THEIR BUSINESS STABLE AND EVEN GROW IT"

Intensity score = weighted average of replies using the following scale

- > It grew a lot = 5
- > It grew moderately = 4
- > It remained stable = 3
- > Sales fell moderately = 2
- > Sales fell quite a bit = 1
- > Other = 0

THE HIGHER THE SCORE, THE MORE THE LOANS ARE CONSIDERED TO HAVE AN IMPACT ON BUSINESS GROWTH

1) See Appendix II: Methodology for a detailed definition and explanation of the calculation (page 33).



Indicator calculated from surveys



Social Bond Impact - SDG 8

€1,480M contributed to Spanish GDP. Every €1M invested in the social bond contributes €2.97M to GDP

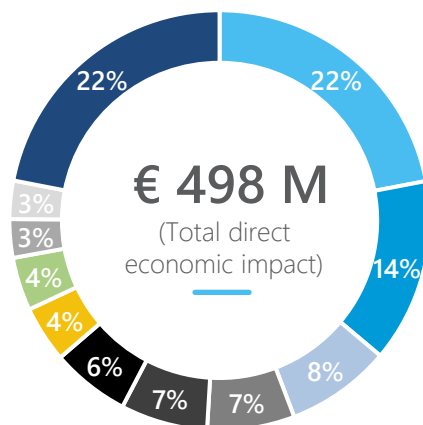


GENERAL (SELF-EMPLOYED AND COMPANIES)

Economic Impact⁽¹⁾ - Economic contribution of the loans to GDP by sector. In the pie charts provided below, we have taken the 10 most representative economic sectors for each type of impact, based on the 62 sectors monitored by the National Institute of Statistics.

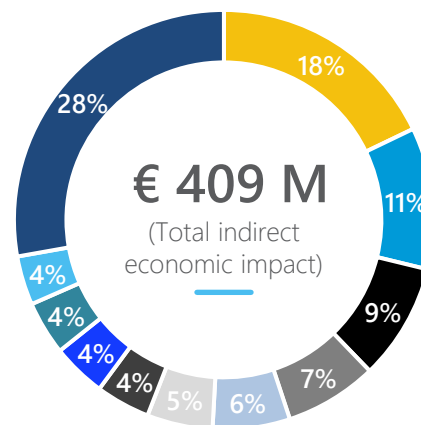
DIRECT IMPACT

Value added created directly by the loans within the borrowers' industries



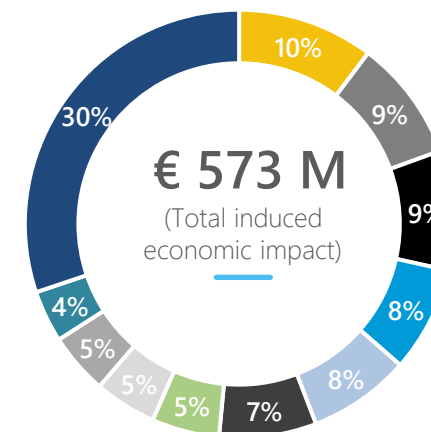
INDIRECT IMPACT

Value added generated by other parties in the supply chain



INDUCED IMPACT

Generated by the income of employees within the borrowers' industries and their supply chain



- Real estate services
- Agricultural, livestock and hunting products, and related services
- Accommodation, food and beverage services
- Wholesale trade services and trade intermediation, except motor vehicles, motorcycles and mopeds

- Retail trade services, except motor vehicles and motorcycles
- Metallurgy and metal products
- Services provided by associations
- Buildings and construction work

- Food products and drinks ⁽²⁾
- Wholesale and retail trade services and repair services for motor vehicles and motorcycles
- Sports, recreation and entertainment services
- Textile products, clothing, leather articles and footwear
- Other

1) See Appendix II: Methodology for a detailed definition and explanation of the calculation (pages 34 to 36).

2) Activities related to tobacco manufacturing have been excluded from this economic sector according to CaixaBank SDGs Framework.



Indicator calculated from surveys using an input - output methodology



Indicator calculated from surveys



Indicator calculated from CaixaBank's databases



Social Bond Impact - SDG 8

8,207 jobs created, of which 2,591 are direct, 2,855 indirect and 2,761 induced. This implies that for every €1M invested in the social bond approximately 16 jobs are created

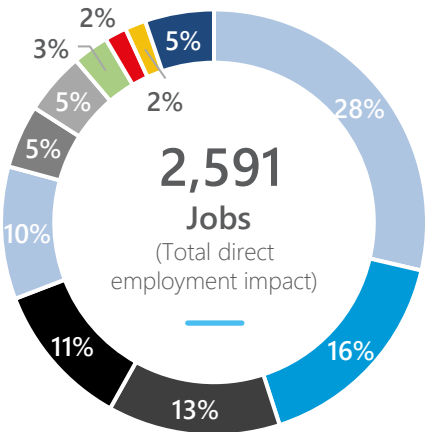


GENERAL (SELF-EMPLOYED AND COMPANIES)

Employment Impact⁽¹⁾ - Contribution of the loans to employment by sector. In the pie charts provided below, we have taken the 10 most representative economic sectors for each type of impact, based on the 62 sectors monitored by the National Institute of Statistics.

DIRECT IMPACT

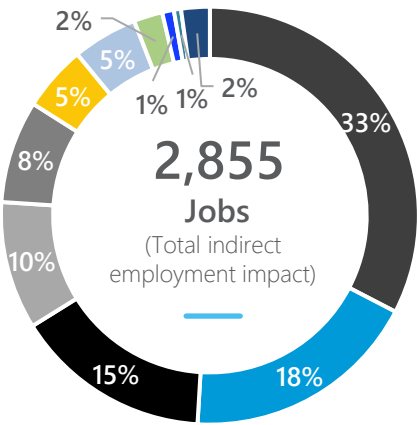
Number of FTEs⁽²⁾ employed by the borrowers as a result of the loans granted



- Real estate services
- Agricultural, livestock and hunting products, and related services
- Accommodation, food and beverage services
- Wholesale trade services and trade intermediation, except motor vehicles, motorcycles and mopeds

INDIRECT IMPACT

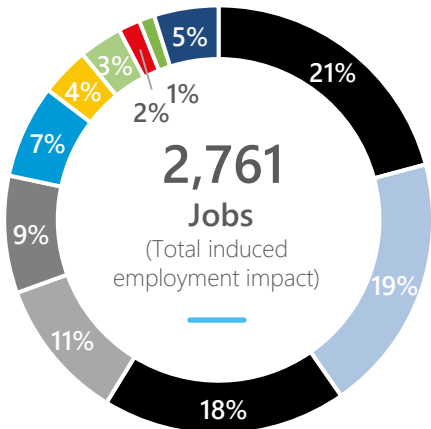
Generated by supply chain purchases made within the borrowers' industries



- Retail trade services, except motor vehicles and motorcycles
- Metallurgy and metal products
- Services provided by associations
- Buildings and construction work
- Electric power, gas, steam and air conditioning
- Food products and drinks⁽²⁾

INDUCED IMPACT

Generated by the wages spent by employees within the borrowers' industries and their supply chain



- Wholesale and retail trade services and repair services for motor vehicles and motorcycles
- Legal and accounting services; corporate headquarters services; business management consulting services
- Sports, recreation and entertainment services
- Textile products, clothing, leather articles and footwear
- Other

1) See Appendix II: Methodology for a detailed definition and explanation of the calculation (pages 34 to 36).
2) Full-time equivalent.



Indicator calculated from surveys using an input - output methodology



Indicator calculated from surveys



Indicator calculated from CaixaBank's databases

04.

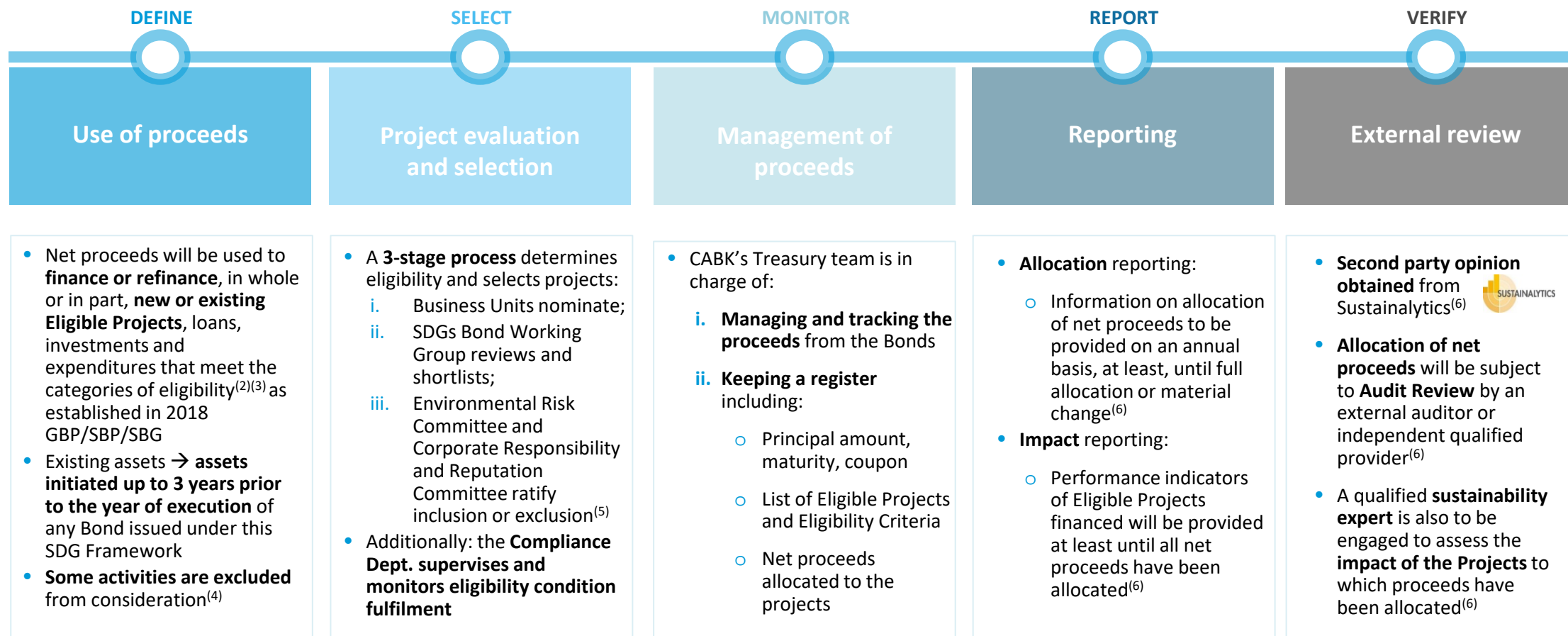


Appendix I: Framework overview



Framework overview

CaixaBank's SDGs Bond Framework is aligned with the four key pillars of ICMA 2018 GBP, 2020 SBP and 2018 SBG ⁽¹⁾



(1) ICMA Green Bond Principles 2018 (2018 GBP) and Social Bond Principles 2018 (2018 SBP) and Sustainability Bond Guidelines 2018 (2018 SBG).

(2) Where a business or project derives ≥90% of revenues from activities that align with Eligibility Criteria, its financing can be considered eligible for CABK Green, Social, or Sustainability Bond(s). In these instances, the Use of Proceeds can be used by the business for general purposes (as long as it does not fund activities in the Exclusion list).

(3) Expenditures could be considered if compliant with the final EU GBS (Green Bond Standard) definition of Green expenditures.

(4) Additional exclusions on top of the exclusions specified in the ESG Management Policies.





(5) At least on an annual basis, the alignment of Eligible Projects with the Eligibility Criteria will be re-assessed.

(6) It will be published on CaixaBank's website.

Framework overview

Use of proceeds

SOCIAL ELIGIBLE CATEGORIES

	SDG Target	ICMA SBP category	Eligible criteria	Including:
	1.4	<ul style="list-style-type: none"> Access to essential services 	<ul style="list-style-type: none"> Activities that increase access to financial services for underserved populations 	<ul style="list-style-type: none"> Loans under MicroBank umbrella to individuals or families located in Spain with a joint annual income of equal or less than €17,200 without any collateral or guarantee
	3.8 3.b	<ul style="list-style-type: none"> Affordable basic infrastructure Access to essential services 	<ul style="list-style-type: none"> Activities that improve provision of free or subsidised healthcare, and early warning, risk reduction and management of health crises 	<ul style="list-style-type: none"> Financing: health care facilities for provision of public and/or subsidised health care services; public training centers in public health care provision and emergency response; public infrastructure and equipment for provision of emergency medical care and of disease control services
	4.1 4.2 4.3 4.4	<ul style="list-style-type: none"> Access to essential services 	<ul style="list-style-type: none"> Activities that expand access to publicly funded primary, secondary, adult and vocational education, including for vulnerable population groups and those at risk-of-poverty; activities that improve publicly funded educational infrastructure 	<ul style="list-style-type: none"> Construction of public schools (primary, secondary and tertiary) Construction of public student housing Financing educational loans
	8.10	<ul style="list-style-type: none"> Employment generation incl. through potential effect of SME financing and microfinance 	<ul style="list-style-type: none"> Bank financing that promotes growth of micro, small and medium sized businesses in the most economically disadvantaged regions of Spain (either ranking in the bottom 30th percentile in GDP/capita or in the top 30th in unemployment rate) 	<ul style="list-style-type: none"> Personal loans without any collateral or guarantee for self-employed workers Micro-enterprises and SMEs as per the European Commission definition

EXCLUSIONS

- | | | | |
|---|---|--|---|
| <ul style="list-style-type: none"> Animal maltreatment Asbestos Coal mining and power generation from coal (coal-fired power plants) | <ul style="list-style-type: none"> Conflict minerals Gambling/adult entertainment Hazardous chemicals Large scale dams (above 25MW) | <ul style="list-style-type: none"> Nuclear power generation Fossil fuel Oil and gas Palm oil | <ul style="list-style-type: none"> Soy oil Tobacco Weapons |
|---|---|--|---|



Framework overview

Use of proceeds

GREEN ELIGIBLE CATEGORIES

	SDG Target	ICMA GBP category	EU-GBS Environmental objective	Eligible criteria	Including:
	6.3 6.4	<ul style="list-style-type: none"> Sustainable water and wastewater management 	<ul style="list-style-type: none"> Sustainable use/protection of water/marine resources and climate change mitigation NACE: water supply sewerage, waste management and remediation 	<ul style="list-style-type: none"> Activities that increase water-use efficiency and quality through water recycling, treatment and reuse (including treatment of wastewater) while maintaining high degree of energy efficiency 	<ul style="list-style-type: none"> Improvements in water quality and use efficiency; construction and maintenance of new water networks to improve residential access to water; construction, operation or extension of water treatment facilities, etc.
	7.1 7.2 7.3	<ul style="list-style-type: none"> Renewable energy Energy efficiency 	<ul style="list-style-type: none"> Climate change mitigation NACE: electricity, gas, steam and air conditioning supply 	<ul style="list-style-type: none"> Activities aiming at financing equipment, development, manufacturing, construction, expansion, operation, distribution and maintenance of low-carbon and renew. energy⁽¹⁾ 	<ul style="list-style-type: none"> Renewable energy projects including wind, solar and hydro power (<25MW) with the exception of biomass energy projects, grid and associated infrastructure expansion/development that carries a minimum of 85% renewable energy, smart grid; etc.
	9.1 9.2 9.4	<ul style="list-style-type: none"> Green buildings 	<ul style="list-style-type: none"> Climate change mitigation NACE: construction, real estate activities 	<ul style="list-style-type: none"> Activities aimed at developing quality, reliable, sustainable green buildings. 	<ul style="list-style-type: none"> New construction building develop./renovation of existing buildings which meet recognised environmental standards; commercial bldg. develop. w/energy performance in top 15% nationally and 35% better than local baseline; loans for residential real estate with EPC A and B; etc.
	11.2 11.6	<ul style="list-style-type: none"> Affordable basic infrastructure Access to essential services Clean transportation 	<ul style="list-style-type: none"> Climate change mitigation NACE: transport and storage 	<ul style="list-style-type: none"> Activities that expand or maintain access to affordable, accessible, and sustainable mass passenger transport systems and related infrastructure 	<ul style="list-style-type: none"> Metro, tram, high speed passenger train; bicycle infrastructure; all emission-free transport with direct emissions lower than 50 grCO₂e/p-km; etc.
	12.2 12.5	<ul style="list-style-type: none"> Pollution prevention and control 	<ul style="list-style-type: none"> Pollution prevention/control; transition to circular econ.; waste prevention and recycling; climate change mitigation. NACE: water supply sewerage, waste management and remediation 	<ul style="list-style-type: none"> Activities that contribute to waste prevention, minimisation, collection, management, recycling, re-use, or processing for recovery 	<ul style="list-style-type: none"> Waste collection/recycling (ex incineration or landfill activities), biogas plants⁽¹⁾ (primarily processing bio waste), fertilizers from anaerobic digestion or bio waste, waste treatment; etc.
	15.2	<ul style="list-style-type: none"> Biodiversity conservation 	<ul style="list-style-type: none"> Protection of healthy ecosystems and climate change mitigation NACE: Agriculture, forestry and fishing 	<ul style="list-style-type: none"> Activities that contribute to the conservation of terrestrial ecosystems 	<ul style="list-style-type: none"> Afforestation/reforestation programmes with recognised certifications (FSC, PEFC, or equivalent); rehab of/ new greenfield woody perennial agricult. plantations (e.g. orchards, fruit and nut tree), aligned with EU standards

(1) The GHG emissions shall not exceed 100gr CO₂e/kWh or any other lower threshold endorsed by the EU Taxonomy.


DEFINE

SELECT

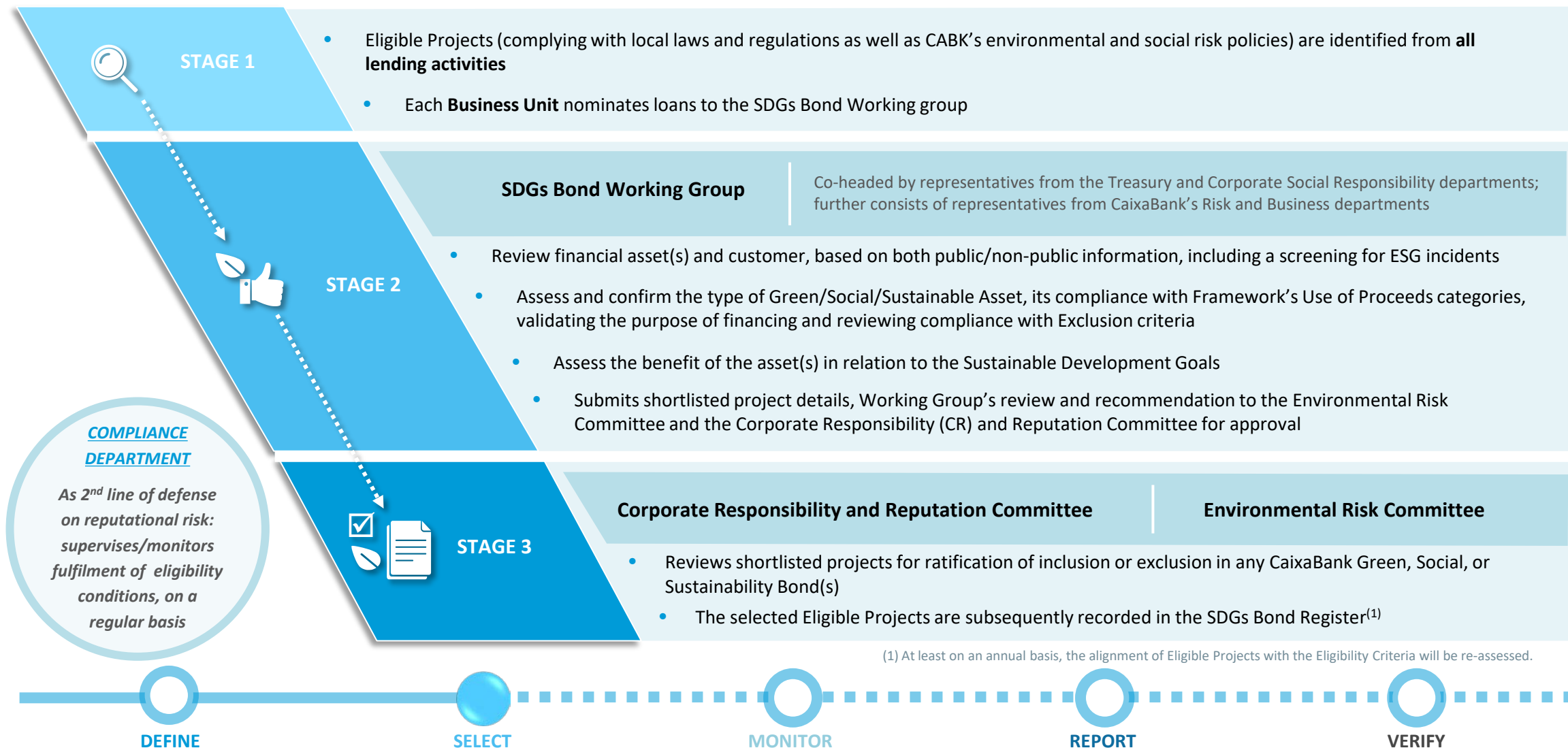
MONITOR

REPORT

VERIFY

Framework overview

Asset evaluation and selection process



Framework overview

External review by Sustainalytics deems CaixaBank SDG Framework to be both credible and impactful



FRAMEWORK VERIFICATION – Second party opinion



Sustainalytics considers CaixaBank's SDGs Framework aligned with GBP, SBP, SBG and GLP⁽¹⁾

Sustainalytics is of the opinion that the CaixaBank SDG Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2018 (GBP), Social Bond Principles 2018 (SBP) Sustainability Bond Guidelines 2018 (SBG) and Green Loan Principles 2018 (GLP).

- Sustainalytics considers the financing of projects and companies dedicated to providing (i) access to essential services, (ii) affordable basic infrastructure, (iii) employment generation, (iv) sustainable water and wastewater management, (v) renewable energy, (vi) energy efficiency, (vii) green buildings, (viii) clean transportation, (ix) pollution prevention and control and (x) terrestrial and aquatic biodiversity conservation to have positive environmental or social impacts and to advance the UN Sustainable Development Goals.
- CaixaBank integrates sustainability in its business strategy, committing to support the transition to a sustainable economy while continuously working towards avoiding, mitigating and remedying those activities that could present a risk for the community and environment.
- CaixaBank's internal process of evaluating and selecting projects as well as processes for management of proceeds are aligned with market practice. In addition, CaixaBank intends to report on the allocation of proceeds on its website on an annual basis.
- The allocation of the net proceeds will also be subject to External Review while a qualified sustainability expert will be engaged to prepare the impact of the Projects to which proceeds have been allocated and is committed to reporting annually on impact indicators on its website until full allocation.











(1) This independent verification assessment is published on the CaixaBank website <https://www.caixabank.com>.

05.











Appendix II: Methodology

Allocation indicators

Indicator	Definition	Data source	SDG	Page in the Social Bond Report
Amount allocated by Sustainable Development Goals and Eligibility Criteria	Amount, in €, of the Social Bond that has been allocated by Sustainable Development Goals (SDG 1 or SDG 8) and Eligibility Criteria.		SDG 1 SDG 8	Page 7
Remaining balance of unallocated proceeds	Amount, in €, of the Social Bond proceeds that has not been allocated.		SDG 1 SDG 8	The remaining balance of the Social Bond is 0 €.
Amount and percentage of new financing	Amount, in €, of Social Bond selected projects/loans originated in the year of issuance of the Bond (2019) and thereafter.		SDG 1 SDG 8	Page 7
Amount and percentage of refinancing	Amount, in €, of Social Bond selected projects/loans originated in the three years previous to the issuance of the Bond (2016, 2017 and 2018).		SDG 1 SDG 8	Page 7
Number of loans	Loans, in number, allocated to the Social Bond broken down by SDG (SDG 1 or SDG 8).		SDG 1 SDG 8	Pages 7, 8 and 9
Loans: by type of borrower	Loans, in millions of €, allocated to the Social Bond broken down by type of borrower (families/individuals, self-employed workers, micro-enterprises, small-sized companies, medium-sized companies).		SDG 1 SDG 8	Page 7
Loans: by vintage	Loans, in millions of € and in%, allocated to the Social Bond broken down by year of origination (new financing: 2019, refinancing: 2016, 2017, 2018).		SDG 1 SDG 8	Page 7
Number of borrowers	For SDG 1, individuals and families, in number, granted with a loan allocated to the Social Bond. For SDG 8, self-employed workers, micro-enterprises, small-sized enterprises and medium-sized enterprises, in number, granted with a loan allocated to the Social Bond.		SDG 1 SDG 8	Pages 8 and 9
Average € / loan	Average amount, in €, per loan allocated to the Social Bond.		SDG 1 SDG 8	Pages 8 and 9
Average life of loans	Average life, in years, of the loans allocated to the Social Bond, defined as "the term of the operation weighted by the outstanding balance of the loan in each period". The mathematical formula is expressed as follows:		SDG 1 SDG 8	Pages 8 and 9

$$\text{Average life} = \frac{\text{Term of operation} + \text{grace period} + (1 / \text{number of anual repayments})}{2}$$

Allocation indicators





Indicator	Definition	Data source	SDG	Page in the Social Bond Report
Average age of borrowers	Average age, in years, of the borrowers of the loans allocated to the Social Bond.		SDG 1 SDG 8	Pages 8 and 9
Women beneficiaries	Women, in %, granted a loan allocated to the Social Bond.		SDG 1	Page 8
Loans by social category	Loans, in number, allocated to the Social Bond broken down by social category (decent and accessible housing, meeting basic family needs, acquisition of a means of transport as a method of social integration, access to education and culture).		SDG 1	Page 8
Breakdown by social category	Loans, in millions of € and %, allocated to the Social Bond broken down by social category (decent and accessible housing, meeting basic family needs, acquisition of a means of transport as a method of social integration, access to education and culture). Detailed breakdown, in %, by subcategory of the social category of "decent and accessible housing" and "meeting basic family needs".		SDG 1	Page 8
Breakdown by economic activity	Loans, in millions of €, allocated to the Social Bond broken down by economic activity (decent and accessible housing, meeting basic family needs, acquisition of a means of transport as a method of social integration, access to education and culture).		SDG 8	Page 9
Loans by type of borrower and volume granted	Loans, in millions of € and in %, allocated to the Social Bond broken down by type of borrower (self-employed, micro-enterprises, small-sized enterprises, medium-sized enterprises).		SDG 8	Page 9
Loans granted in areas with population at risk of poverty	<ul style="list-style-type: none"> a) Loans, in number, allocated to the Social Bond granted in areas with population at risk of poverty, defined as "areas with more than 15% of the population living in households whose total equivalent annual income is below the poverty line". Data obtained through the INE (National Institute of Statistics) for the year 2019 (https://www.ine.es/jaxiT3/Tabla.htm?t=29282). b) Borrowers, in number, granted a loan allocated to the Social Bond in areas with population at risk of poverty. c) Total amount of loans, in millions of €, allocated to the Social Bond granted in areas with population at risk of poverty. 		SDG 1	Page 11
Loans granted in rural areas	<ul style="list-style-type: none"> a) Loans, in number, allocated to the Social Bond granted in rural areas, defined as "areas with a number of inhabitants of less than 30,000 per municipality and a population density of less than 100 inhabitants per km2" (definition according to Spanish Law 45/2007: https://www.boe.es/buscar/pdf/2007/BOE-A-2007-21493-consolidado.pdf). b) Borrowers, in number, granted a loan allocated to the Social Bond in rural areas. c) Total amount of loans, in millions of €, allocated to the Social Bond granted in rural areas. 		SDG 1 SDG 8	Pages 11 and 13


Impact indicators

>> Surveys information:








- > SDG 1: 600 surveys conducted among individuals and families by MicroBank in 2019.
- > SDG 8 ⁽¹⁾: 489 surveys conducted among self-employed workers, micro-enterprises, small-sized companies and medium-sized companies by CaixaBank in 2020.
- > SDG 8 ⁽²⁾: 412 surveys conducted among self-employed workers, micro-enterprises, small-sized companies and medium-sized companies by CaixaBank in 2020.

Margin of error for the total sample (both SDG 1 and SDG 8 surveys): **5%**
Confidence level (both SDG 1 and SDG 8 surveys): **95%**
Method: **telephone surveys.**

Indicator	Definition	Data source	SDG	Page in the Social Bond Report
Positive impact of funding received	<p>a) Direct responses, in %, broken down by reply options to the question "The financial support received has had a positive impact on my personal well-being and/or that of a family member" of the telephone surveys conducted among a sample of borrowers (individuals and families) granted a loan allocated to the Social Bond.</p> <p>b) Intensity score, out of 10, is calculated considering the weighted average of replies to the above question according to the "Intensity score" methodology described on page 32.</p>	 (1)	SDG 1	Page 11
Impact of funding on the achievement of objectives	<p>a) Direct responses, in %, broken down by reply options to the question " Would you say you have met the need/needs for which you applied for the loan?" of the telephone surveys conducted among a sample of borrowers (individuals and families) granted a loan allocated to the Social Bond.</p> <p>b) Intensity score, out of 10, is calculated considering the weighted average of replies to the above question according to the "Intensity score" methodology described on page 32.</p>	 (1)	SDG 1	Page 11
Improvement of the liquidity situation	<p>a) Direct responses, in %, broken down by reply options to the question "After receiving the loan, how would you say your ability to cope with unforeseen expenses has changed?" of the telephone surveys conducted among a sample of borrowers (individuals and families) granted a loan allocated to the Social Bond.</p> <p>b) Intensity score, out of 10, is calculated considering the weighted average of replies to the above question according to the "Intensity score" methodology described on page 32.</p>	 (1)	SDG 1	Page 12
Increase in savings capacity	<p>a) Direct responses, in %, broken down by reply options to the question "In the last 12 months, how has your ability to save changed?" of the telephone surveys conducted among a sample of borrowers (individuals and families) granted a loan allocated to the Social Bond.</p> <p>b) Intensity score, out of 10, is calculated considering the weighted average of replies to the above question according to the "Intensity score" methodology described on page 32.</p>	 (1)	SDG 1	Page 12

 Surveys

Impact indicators

Indicator	Definition	Data source	SDG	Page in the Social Bond Report
Number of beneficiaries who had first approached other banks for the loan before approaching CaixaBank	Direct responses, in %, broken down by reply options to the question "Before applying for the loan, had you requested it from other entities?" of the telephone surveys conducted among a sample of borrowers (self-employed workers, micro-enterprises, small-sized companies and medium-sized companies) granted a loan allocated to the Social Bond.	 ⁽¹⁾	SDG 8	Page 13
Purpose of the loan	Direct responses, in %, broken down by reply options to the question "What was the purpose of the loan?" of the telephone surveys conducted among a sample of borrowers (self-employed workers) granted a loan allocated to the Social Bond.	 ⁽¹⁾	SDG 8	Page 14
Positive impact of funding received	<p>a) Direct responses, in %, broken down by reply options to the question "After the loan was granted, would you say that your quality of life has improved?" of the telephone surveys conducted among a sample of borrowers (self-employed workers) granted a loan allocated to the Social Bond.</p> <p>b) Intensity score, out of 10, is calculated considering the weighted average of replies to the above question according to the "Intensity score" methodology described on page 32.</p>	 ⁽¹⁾	SDG 8	Page 14
Impact on business strength	<p>a) Direct responses, in %, broken down by reply options to the question "How did the loan impact the business 12 months after it was granted?" of the telephone surveys conducted among a sample of borrowers (self-employed workers) granted a loan allocated to the Social Bond.</p> <p>b) Intensity score, out of 10, is calculated considering the weighted average of replies to the above question according to the "Intensity score" methodology described on page 32.</p>	 ⁽¹⁾	SDG 8	Page 15
Impact on business growth after the loan was granted	<p>a) Direct responses, in %, broken down by reply options to the question "How did the loan affect the growth of your business 12 months after it was granted?" of the telephone surveys conducted among a sample of borrowers (self-employed workers) granted a loan allocated to the Social Bond.</p> <p>b) Intensity score, out of 10, is calculated considering the weighted average of replies to the above question according to the "Intensity score" methodology described on page 32.</p>	 ⁽¹⁾	SDG 8	Page 15
Purpose of the loan	<p>a) Direct responses, in %, broken down by reply options to the question "What was the purpose of the loan?" of the telephone surveys conducted among a sample of borrowers (micro-enterprises, small-sized companies and medium-sized companies) granted a loan allocated to the Social Bond.</p> <p>b) Newly-created companies financed, in number, % and millions of €, defined as "companies that were created within the two years prior to the granting of the loan".</p>	 ⁽¹⁾ 	SDG 8	Page 16











Surveys



CaixaBank's databases

Impact indicators

Indicator	Definition	Data source	SDG	Page in the Social Bond Report
Impact on business strength	<p>a) Direct responses, in %, broken down by borrower and by reply options to the question "How did the loan impact the business in the 12 months after it was granted?" of the telephone surveys conducted among a sample of borrowers (micro-enterprises, small-sized companies and medium-sized companies) granted a loan allocated to the Social Bond.</p> <p>b) Intensity score, out of 10, is calculated considering the weighted average of replies to the above question according to the "Intensity score" methodology described on page 32.</p>	 ⁽¹⁾	SDG 8	Page 17
Impact on business growth after the loan was granted	<p>a) Direct responses, in %, broken down by borrower and by reply options to the question "How did the loan affect the growth of your business 12 months after it was granted?" of the telephone surveys conducted among a sample of borrowers (micro-enterprises, small-sized companies and medium-sized companies) granted a loan allocated to the Social Bond.</p> <p>b) Intensity score, out of 10, is calculated considering the weighted average of replies to the above question according to the "Intensity score" methodology described on page 32.</p>	 ⁽¹⁾	SDG 8	Page 18
Economic impact	<p>Total, direct, indirect and induced economic impact, in millions of €, defined as the "economic contribution to GDP of the loans allocated to the Social Bond", broken down by sector of the economy (in the graphics provided, we have taken the 10 most representative economic sectors for each type of impact, based on the 62 sectors monitored by the INE (National Institute of Statistics).</p> <p>Economic impact is calculated according to the "Input-output" methodology described on pages 33 to 35.</p>	  ⁽²⁾ 	SDG 8	Page 19
Employment impact	<p>Total, direct, indirect and induced employment impact, in number of jobs, defined as the "employment contribution of the loans allocated to the Social Bond", broken down by sector of the economy (in the graphics provided, we have taken the 10 most representative economic sectors for each type of impact, based on the 62 sectors monitored by the INE (National Institute of Statistics).</p> <p>Employment impact is calculated according to the "Input-output" methodology described on pages 33 to 35.</p>	  ⁽²⁾ 	SDG 8	Page 20



Intensity score

>> A score is assigned to each question to then calculate a weighted score out of 10, thus ensuring continuity for all indicators.

The calculation is as follows:

>> **EXAMPLE:**
Positive impact of funding received – SDG 1 Families

The financial support received has had a positive impact on my personal well-being and/or that of a family member

Answer	% of the total	Score assigned	Calculation (% of the total * score assigned)
Strongly agree	24%	5	1.19
Agree	63%	4	2.50
Neither agree nor disagree	10%	3	0.32
Disagree	1%	2	0.02
Strongly disagree	1%	1	0.01
NR/DK	1%	0	0
	100%		4.04



WEIGHTED SCORE OUT OF 10

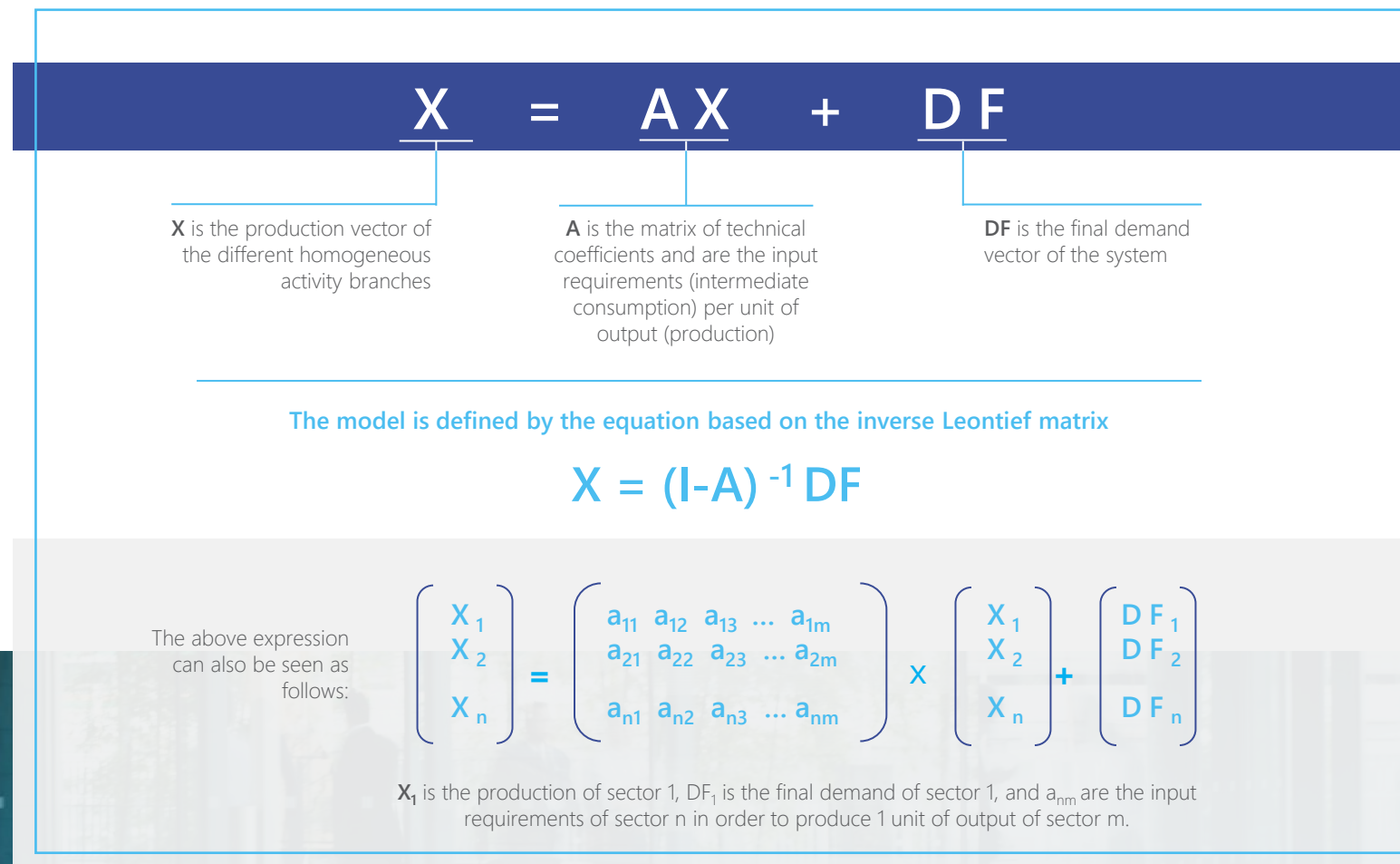
Intensity score out of 10=

$4.04 / (5 \times 10) = 8.07$

Input-output

» The input-output table analysis was developed by W.W. Leontief in 1936, as an instrument for interpreting the interdependencies of the various sectors of the economy. The methodology is used to calculate the impacts that the credits granted have on the whole of the Spanish economy.

The input-output methodology is a technique used to estimate direct and induced impact on GDP and employment. In general, the starting point is the symmetric input-output tables (SIOT), which serve as the basis for calculating the multiplier or Leontief matrices. Both types of matrices are published by the National Institute of Statistics (INE). The input-output methodology is based on Leontief's production model, in which the production requirements of an economy are equivalent to the intermediate demand for goods and services by the productive sectors, plus final demand, **as summarised in the following expression:**



Input-output

>> | ECONOMIC IMPACT

- > Impact has been estimated by taking into account not all of the borrowers' economic activity, but solely the borrowers' activity as a consequence of the loan granted. Impact of the loans is estimated using the sum of survey wages, supplies and taxes for the loans granted.
- > Direct impact is the value added that the loans have created directly within the borrowers' industries. The Economic direct impact of the loans is the net proceeds allocated to SDG 8.
- > Indirect impact is the value added supported through other parties in the supply chain, that is, the supply chain activity generated in the Spanish economy by the loans granted.
- > Induced impact is supported through the income of employees within the borrowers' industries and their supply chain (regarding the amount of credit granted). These result in increased spending and increased final demand within the economy.
- > Types I and II GVA (1) effects multipliers relevant to each industry are applied to the Spanish-only output for each industry to obtain induced and indirect GVA:
 - > Type I (indirect) GVA effects multipliers estimate the total direct and indirect GVA. Indirect GVA is the GVA supported through the loans granted within the borrowers' industries in terms of supply chain demand.
 - > Type II (induced) GVA effects multipliers estimate the total of direct, indirect and induced GVA.

(1) Gross Value Added

>> | EMPLOYMENT IMPACT

- > Employment impact has been estimated by taking into account not all of the borrowers' economic activity, but solely the borrowers' activity as a consequence of the loan granted.
- > Direct employment is defined here as the number of FTEs (1) employed by the borrowers as a consequence of the loans granted. Employment is obtained from a CaixaBank survey among borrowers.
- > Indirect and induced employment numbers give an estimate of how many FTE jobs are supported throughout the economy by an industry thanks to the credit granted by the CaixaBank Group. Indirect employment is supported by supply chain purchases made by the borrowers' industry, and induced employment is supported by the wages spent by employees within the borrowers' industries and their supply chain (regarding the amount of credit granted in both cases).
- > Type I and Type II employment effects multipliers are applied to Spanish-only output to obtain indirect and induced employment. As with the GVA effects multipliers, two employment effects are used to estimate the number of FTEs supported in the Spanish economy:
 - > Type I (indirect) employment effects multipliers estimate the number of FTEs supported due to supply chain demand within the borrowers' industry.
 - > Type II (induced) employment effects multipliers estimate the number of FTEs supported due to employee income within the industry. As employees spend their wages on goods and services, more FTEs are required to provide these.

Input-output

MEASUREMENT OF INDIRECT IMPACT ON EMPLOYMENT

The following procedures are used to estimate the indirect impact on employment generated by CaixaBank:

- Quantification of financing broken down by the sectors affected.
- The amounts paid in each sector are multiplied by the matrix of production multipliers, thus yielding a vector that shows the indirect impact of production.
- Calculation of the employment coefficients per sector, i.e. the ratio between the number of employees and the production of each sector.
- The indirect impact by sector will be the result of multiplying the indirect impact on production by sector by the employment coefficient for each sector.
- The total indirect impact is obtained by adding up the indirect impact on each sector affected.

MEASUREMENT OF INDUCED IMPACT ON EMPLOYMENT

- Determine what proportion of the activity generated leads to increased wage income. To do this, it is necessary to calculate what proportion of the production generated, either directly or indirectly, relates to employee remuneration, using the wages and salaries ratio for production in each sector.
- Based on the calculation of this wage income generated in each sector as a whole, the proportion of the income that is allocated to consumption and therefore generates additional economic activity will be estimated, for which it will be necessary to estimate the value of the 'marginal propensity to consume' (1) (MPC) for the Spanish economy. The value of the MPC can be estimated by developing an econometric model that relates household disposable income and consumption.
- The total amount of this estimated increase in consumption would represent a proportion of the induced impact on production. In addition to this impact, it would be necessary to calculate the additional increase in activity which such consumption generates in the sectors where it occurs (indirect impact of the induced impact). To do this, the total amount of this consumption must be distributed among the different sectors of economic activity in which it is produced, applying to this figure the proportion for each sector in relation to total consumption by Spanish households taken from the SIOT.
- Once the increase in consumption for each sector has been obtained, these amounts will be multiplied by their corresponding sectoral production multiplier, thus giving the induced impact on production as a whole.
- The last step would be to transform this impact on production into impact on employment, multiplying the impact on each sector by the employment/production ratio for each sector.
- Lastly, the total induced impact is obtained by aggregating the impact for each sector.

1) Increase in consumption by an individual as a result of an increase in their disposable income (income after payment of taxes)

06.



Appendix III: Independent Limited Assurance Report

Independent Limited Assurance Report

CaixaBank, S.A.

Independent Limited Assurance Report
on the "Social Bond Report"
as of 31st March 2020



Independent Limited Assurance Report on the "Social Bond Report"

To the Management of CaixaBank, S.A.:

We have carried out our work to provide limited assurance on the accompanying 'Social Bond Report' of CaixaBank, S.A. (hereinafter, 'CaixaBank' or 'the Company') as of 31st March 2020, in regards with the Inaugural Social Bond SNP issued by CaixaBank in September 2019 to progress in SDG 1 (No Poverty) and SDG 8 (Decent Work and Economic Growth), prepared in accordance with the criteria described in sections 'Appendix I: Framework overview' and 'Appendix II: Methodology' of the 'Social Bond Report', defined by CaixaBank in accordance with the Sustainable Development Goals (SDGs) Framework (hereinafter, 'SDGs Bond Framework' or 'the Framework'), available on its website:

https://www.caixabank.com/deployedfiles/caixabank/Estaticos/PDFs/Inversores_institucionales/2019C_aixaBankSDGsFramework.pdf

Specifically, the sections of the 'Social Bond Report' under our review have been the following:

- The allocation of the Social Bond proceeds in accordance with the eligibility criteria, defined by CaixaBank in the 'SDGs Bond Framework' and detailed in page 7.
- Social Bond funding allocation indicators, included in section 'Allocation Report' of the 'Social Bond Report' (pages 7-9), and specifically the indicators referenced in the table 'Allocation indicators' of the 'Appendix II: Methodology'.
- Impact indicators associated to the Social Bond, included in section 'Social Bond Impact Report' of the 'Social Bond Report' (pages 11-20), and specifically the indicators referenced in the table 'Impact indicators' of the 'Appendix II: Methodology'.

Responsibility of the Management

The Management of CaixaBank is responsible for the preparation, content and presentation of the 'Social Bond Report' in accordance with the criteria established by the Company, and the definition of these criteria according to the 'SDGs Bond Framework'. This responsibility includes designing, implementing and maintaining the internal control required to ensure that the information included in the 'Social Bond Report' is free from any material misstatement due to fraud or error.

The Management of CaixaBank is also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the 'Social Bond Report', is obtained.

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Independent Limited Assurance Report



Our independence and quality control

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

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

Our responsibility

Our responsibility is to issue a limited assurance report based on the work carried out. Our limited assurance engagement has been carried out in accordance with the International Standard on Assurance Engagements 3000 (ISAE 3000) (Reviewed), 'Assurance Engagements other than Audits or Reviews of Historical Financial Information', issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC).

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

Our work has consisted of posing questions to management and several CaixaBank units that were involved in the preparation of the sections of the 'Social Bond Report' under our review, in the review of the processes for compiling and validating the information presented in the sections of the 'Social Bond Report' under our review, and in the application of certain analytical procedures and review sampling tests, as described below:

- Meetings with CaixaBank's personnel from various units who have been involved in the preparation of the 'Social Bond Report', to understand the allocation of the funds obtained through the Social Bond, the existing internal procedures and management systems, the information gathering process and the control environment.
- Analysis of the procedures used for obtaining and validating the information presented in the sections of the 'Social Bond Report' under our review.
- Verification that the allocation of the Social Bond proceeds meets the eligibility criteria, defined by CaixaBank in the 'SDGs Bond Framework'.
- Review that the CaixaBank's funding allocation indicators and impact indicators included in the 'Social Bond Report' have been prepared in accordance with the criteria described in section 'Appendix II: Methodology' of the 'Social Bond Report', defined by CaixaBank in accordance with the 'SDGs Bond Framework'.
- Verification, through random sampling tests revisions, internal control tests and substantive tests on the quantitative and qualitative information included in the sections of the 'Social Bond Report' under our review. We have also verified whether they have been appropriately compiled from the data provided by CaixaBank's sources of information.
- Obtainment of a representation letter from the Management of CaixaBank.



Limited assurance conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that:

- the allocation of the Social Bond proceeds is not in accordance with the eligibility criteria, defined by CaixaBank in the 'SDGs Bond Framework' and detailed in page 6 of the 'Social Bond Report',
- the funding allocation indicators and the impact indicators included in the 'Social Bond Report' contain significant errors or have not been prepared, in all their significant matters, in accordance with the criteria described in section 'Appendix II: Methodology' of the 'Social Bond Report', defined by CaixaBank in accordance with the 'SDGs Bond Framework'.

Use and distribution

Our report is only issued to the Management of CaixaBank, in accordance with the terms and conditions of our engagement letter. We do not assume any liability to third parties other than CaixaBank's Management.

PricewaterhouseCoopers Auditores, S.L.

Juan Ignacio Marull Guasch

October 30th, 2020



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