

CDP climate change questionnaire

2019

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

CaixaBank is an integrated financial group that operates a banking business, conducts insurance activities and is a shareholder in international banks. It also has interests in leading service sector companies. CaixaBank is the leading financial group in the Spanish market with active assets valued in EUR 386.622 million as of 31 December 2018.

CaixaBank is listed in the top sustainability indexes worldwide: Dow Jones Sustainability Index (DJSI), FTSE4Good and Advanced Sustainable Performance Indexes (ASPI), and CDP, in which CaixaBank has maintained its leadership score.

In 2018 the Group had six key business lines serving around 15,7 million customers in individual banking, personal banking and private banking for individual customers and banking for SMEs, business banking, and corporate banking for enterprises. CaixaBank rounds out its portfolio of banking products and services with the specialized services of its pension and life insurance business. The insurance group offers an extensive array of pension plans, life insurance products and risk-life insurance for individuals and businesses. CaixaBank's subsidiaries provide operational support to the banking activity.

As for International banking activity, CaixaBank runs operational branches in Poland, Morocco, London, Frankfurt and Paris. The Group has representative offices in the following countries: Italy, UK, France, Germany, China, Turkey, Singapore, the United Arab Emirates, India, Egypt, Chile, Colombia, Algeria, Peru, South Africa, the United States, Brasil, Australia and Canada. CaixaBank has partner banks as banking investees: Inbursa, Banco BPI, Erste group Bank, Bank of East Asia and Boursorama.

CaixaBank shares the commitment of its leading shareholder, "la Caixa", to people and the environment, while showing a willingness to create value for its shareholders and make a clear contribution to society.

Some of the awards obtained by CaixaBank in 2018 include: Model Bank 2018 Consumer Payments for the app CaixaBankPay (Celent Model Bank Awards), Country Winner at the World's Best Consumer Digital Banks in Western Europe 2018 (Global Finance), The Most Innovative Financial Institution in Western Europe for 2018 ("The Innovators" awards), Awards for apps CaixaBank Now and CaixaBank Pay.

CaixaBank's commitment to the environment is shown in its efforts to improve efficiency and cut emissions by managing and reporting the direct and indirect environmental impacts, and by the focus on sustainability in its financial and investment policy in terms of the risk assessment criteria of the projects that could be financed, and regarding the type of projects backed. As a signatory of the Equator Principles, since 2007 CaixaBank has committed to responsible financing. By adopting these guidelines, CaixaBank is committed to apply them to all the project-financing in which it takes part and that require financing over seven million Euros. In line with these Principles, for these projects to be approved, they must have a positive evaluation, which means writing social and environmental factors into the analysis, in line with the standards set by the International Finance Corporation (IFC).

CaixaBank has renewed in 2018 its Environmental and Energy Policy focusing on:

- 1) Guaranteeing compliance with legislation and environmental and energy regulations applicable to its activities, as well as other commitments that the institution has taken on voluntarily.

- 2) Raising awareness and employee engagement in Climate Change related issues.
- 3) Incorporating social and environmental criteria into business strategies, products, financing services and investment policy. This includes the management of risks and opportunities associated with them.
- 4) Developing a business aimed at fostering renewable energies and promoting the purchase of energy efficient products and services designed to improve and optimise energy use.
- 5) Engaging with suppliers, so that they commit to Caixabank's corporate social responsibility and environmental and energy policy.
- 6) Supporting initiatives that are geared towards preventing, mitigating, adapting or responding to climate change.
- 7) Communicating these measures to clients, stakeholders and society in general using several channels such as the Environmental Declaration, Statement on Climate Change, CDP questionnaire, Group Management Report and Socioeconomic report, among others.

All this is managed by CaixaBank's Environment and Energy Committees, which consist of different areas and reports to the corporate responsibility committee and to the Steering Committee. The Environment and Energy committee define the CSR strategy and policies in sustainability matters.

CaixaBank has become the only Carbon-Neutral listed Spanish bank by completely offsetting the emissions produced directly and indirectly by its activity and calculated in its carbon footprint.

For further information visit: http://www.caixabank.com/responsabilidadcorporativa_en.html

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

| | Start date | End date | Indicate if you are providing emissions data for past reporting years | Select the number of past reporting years you will be providing emissions data for |
|-------|----------------|------------------|---|--|
| Row 1 | January 1 2018 | December 31 2018 | Yes | 3 years |

C0.3

(C0.3) Select the countries/regions for which you will be supplying data.

Spain

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

EUR

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your consolidation approach to your Scope 1 and Scope 2 greenhouse gas inventory.

Operational control

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

| Position of individual(s) | Please explain |
|---------------------------|---|
| Board-level committee | Caixabank's Board of Directors is the most senior authority when it comes to establishing and supervising the Bank's business strategies, risk strategy and risk management policies, including the management of environmental and climate change issues, such as those linked to corporate responsibility: one of the 5 lines of CaixaBank's CSR Master Plan is the Environment, which contemplates investing and financing aimed at mitigating and adapting to climate change, setting up annual targets including energy efficiency, etc. It is aided in its endeavours by the delegate Risks and Appointments Committees. The Board of Directors is also responsible for approving, supervising and monitoring the effectiveness of the Bank's Climate Change Statement and the commitments included herein. The new Environmental Risk Management Committee has been set up as the highest executive body to manage environmental risk and reports to CaixaBank's Management Board. |

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

| Frequency with which climate-related issues are a scheduled agenda item | Governance mechanisms into which climate-related issues are integrated | Please explain |
|---|--|--|
| Scheduled – some meetings | Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Monitoring and overseeing progress against goals and targets for addressing climate-related issues | <p>The Board of Directors approves the work of the Appointments Committee, which oversees the CSR strategy, action plans and performance of CaixaBank, including climate-related issues. Thus, CaixaBank's Appointments Committee supervises the activities of CaixaBank in relation to CSR issues (including climate-related issues) and submit to the Board those proposals it deems appropriate in these matters. For instance, it supervised CaixaBank's CSR Master Plan (2019-2021) development, which includes as one of its key lines the Environment, in which an Environmental strategy was defined. One of the Environmental strategy's lines is Environmental risk management (including ESG risks). A report on the evolution of CSR Strategic Plan (which includes climate-related issues as mentioned) is reviewed biannually by top-level CaixaBank committees with the direct involvement of Senior Management. Besides, new policies, sector criteria or other major issues are reviewed and approved by the Committee when is needed, with higher frequency, and submitted to the Board. Key risk management policies are also reviewed by the Risk Committee of the Board of Directors and may require as well the approval of the Board of Directors. This is the case of the Environmental Risk Management Policy, developed to frame the global principles for the approval, management, communication and disclosure of environmental risks. The sectors that have been taken into account in this policy are: Energy, Mining, Infrastructure, Agriculture, fishing, livestock and forestry. ESG governance and integration of ESG factors into business activities is based on the following risk management bodies: the Environmental Risk Management Committee, the Transaction Appraisal Unit, the Management of Environmental Risks and Opportunities Corporate Direction and the Environmental Risk Management Policy. CaixaBank is adhered to various global initiatives relating to social and environmental matters, notably: • The United Nations Global Compact. • Principles for Responsible Banking of the United Nations Environment Programme – Finance Initiative (UNEP FI). • Equator Principles. • Green Bond Principles In the realm of environmental risk management, CaixaBank embraces other related initiatives, such as: • Paris Agreement (COP21) and Katowice Agreement (COP24). • Sustainable Development Goals (SDGs) of the United Nations. • The energy transition scenario adopted by the Government of Spain. • The recommendations of the Task Force on Climate-related Financial Disclosure (TCFD) of the Financial Stability Board. • The Action Plan on Sustainable Finance of the European Commission.</p> |

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

| Name of the position(s) and/or committee(s) | Responsibility | Frequency of reporting to the board on climate-related issues |
|---|---|---|
| Chief Risks Officer (CRO) | Both assessing and managing climate-related risks and opportunities | More frequently than quarterly |

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

Caixabank's Chief Risks Officer (CRO) is the maximum responsible for risks at Caixabank, including environmental and climate change risks, and is a member of the Management Committee, which is the highest body below Board level. This position represents the highest management-level position with responsibility for climate-related issues. He presides the Environmental Risk Management (ERM) Committee, reporting to the Management Committee. The ERM Committee is responsible for analysing and approving the proposals received from the different functional areas concerning the Bank's strategy and approach, while also identifying, managing and controlling the associated risks as a first line of defence (including climate R&O in relation to financial activities undertaken by Caixabank such as lending, investment and insurance underwriting activities, among others).

All environmental risk management initiatives are supervised by the ERM Committee, and thus ultimately by the CRO. It may also seek, at any time, the advice of the environmental risk experts attached to the Bank's various business areas involved in environmental risk acceptance, management, monitoring or control activities.

ESG governance and integration of ESG factors into business activities is based on the following risk management bodies:

The Environmental Risk Management Committee; the Transaction Appraisal Unit (which constitutes the operating unit specialised in environmental risk to support the company in the daily decision-making processes linked to the ordinary business of granting risks, and informs the Environmental Risk Management Committee); the Management of Environmental Risks and Opportunities Corporate Direction and the Environmental Risk Management Policy. Approved by the Board of Directors, the objective of the Risk Management Policy is to frame the global principles for the approval, management, communication and disclosure of environmental risks.

The main functions of Management of Environmental R&O Corporate Direction, supervised by the CRO, include:

- Coordinate the execution of the internal Environmental Risk Management Plan, mainly with regards to the credit risk granting to CaixaBank customers, with the objective of avoiding, minimising, mitigating and remediating potential negative environmental impacts.
- Roll out the global risk appetite framework for environmental risk in portfolio plans, asset transactions together with the Business Areas.
- Globally monitor the asset portfolio from a perspective of the environmental risk (risk profile, volumes / performance of the portfolios included in the taxonomy), control and reporting of the fulfilment of the planning, cooperate in the reporting to the governing bodies and supervisors on the evolution of the risk profile and the management as required.
- Actively manage the risk level, within the formal framework authorised: analyse the correct application of the environmental risk management policies and procedures, propose changes and evaluate the impact in terms of the business; escalate proposals to mitigate the environmental risk exposure levels.

In this sense, the main functions of the Environmental Risk Management Committee, supervised by the CRO, include:

- Definition of the strategy regarding environmental risks and opportunities within the framework of the risk appetite approved by the Board of Directors.
- Establishing and monitoring of the governance framework for the management of the environmental risk (functions, roles and responsibilities, policies and procedures).
- Monitoring of the progress of the projects and initiatives set up to roll out the defined environmental strategy.
- Promoting the integration of the environmental risk criteria into the business management of the entity.
- Review and approve the information to be disclosed to the market relating to the exposition to climate risk (*climate-related disclosures*).
- Define and review the necessary information (metrics, indicators) to monitor the exposition to environmental risk.
- Report to the Management Committee on the progress in the implementation of the Environmental Strategy; the agreements of the Environmental Risk Management Committee and the evolution of the information established to monitor the exposure to environmental risk.
- Inform the Global Risk Committee and the Corporate Responsibility and Reputational Committee (CRCR) on the agreements of the Committee.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

Yes

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Who is entitled to benefit from these incentives?

Chief Executive Officer (CEO)

Types of incentives

Monetary reward

Activity incentivized

Emissions reduction target

Comment

These incentives are granted for the achievement of individual and bank's targets in line with the Socially Responsible Banking Plan. Within this Plan, promoting green business and products and climate risk management are considered. In particular they are granted for the achievement of individual targets in line with the Strategic Plan, the Socially Responsible Banking Plan and the Environmental Strategy. For example, CaixaBank is involved in the financing of renewable energy projects, which directly affect and reduce the GHG emissions. The indicator for awarding bonuses is based on the performance. The Chief Executive Officer (CEO) and Chief Risk Officer (CRO) incentives are linked, amongst others, to the management of the Environmental and Climate Change related Risks. These incentives also apply to the Chief Sustainability Officer and the Environmental Risks Manager. Also, since 2019, the members of the Management Committee, members of the Board that are executive Directors, as well as the other members of the management team and key employees of the CaixaBank Group have indexed their Long-Term Incentives to the CaixaBank Group's Global Reputation Index which includes, among other, climate change aspects.

Who is entitled to benefit from these incentives?

Chief Executive Officer (CEO)

Types of incentives

Monetary reward

Activity incentivized

Emissions reduction target

Comment

Achievement of environmental and sustainability performance targets. These incentives are related to climate efficiency, emissions reduction and consumption reduction. These incentives are granted for the achievement of individual and bank's targets in line with the Strategic Plan and the Environmental Strategy and the Socially Responsible Banking Plan. Some of these goals are defined in particular in the new Environmental Management Plan 2021. The Chief Executive Officer (CEO), the Chief Resources Officer and the Chief Sustainability Officer have incentives related to efficiency, emissions reduction and consumption reduction. Other employees including the same incentives are: Corporate Social Responsibility manager, General Services Manager, Purchasing department manager and CABK Facilities Management manager.

Who is entitled to benefit from these incentives?

Chief Sustainability Officer (CSO)

Types of incentives

Monetary reward

Activity incentivized

Energy reduction target

Comment

The Chief Sustainability Officer has incentives for achievement goals related to the following aspects: to (i) the maintenance of the internal environmental workplace designed to raise awareness and promote best practices among the employees and (ii) the improvement and renewal of the ISO 14001, ISO 5001 and EMAS certification. Since the targets established in the ISO and EMAS include the reduction in emissions and energy consumption, the incentives are directly related to the management of the Climate Change within the company, especially those addressing emissions and energy reduction. These incentives apply also to the Corporate Social Responsibility Manager and General Service Manager. The employees of the Management Group working in the Department of General Services Administration are also awarded with bonuses when these goals are achieved. Efficiency

measures should lead to cost reduction and thus improve efficiency rate of the bank. Variable remuneration of employees is linked, among others, to the achievement of global goals (Strategic plan) and one of them is the improvement of this efficiency rate.

Who is entitled to benefit from these incentives?

All employees

Types of incentives

Monetary reward

Activity incentivized

Other, please specify (Finance of green products)

Comment

Commercial personnel has also, incentives linked to products as the hybrid car or AgroBank loans, among others. -All the employees in the area of Project finance have specific incentives related to finance green products; mainly renewable energies. -All the employees in AgroBank have specific incentives to push financing of products with low environmental impact.

C2. Risks and opportunities

C2.1

(C2.1) Describe what your organization considers to be short-, medium- and long-term horizons.

| | From (years) | To (years) | Comment |
|-------------|--------------|------------|---|
| Short-term | 0 | 3 | |
| Medium-term | 3 | 6 | |
| Long-term | 6 | 82 | In the context of climate-related risks and opportunities, Caixabank considers long-term until the year 2100, which explains the value in the previous column (2100-2018=82). |

C2.2

(C2.2) Select the option that best describes how your organization's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk management.

Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes

C2.2a

(C2.2a) Select the options that best describe your organization's frequency and time horizon for identifying and assessing climate-related risks.

| | Frequency of monitoring | How far into the future are risks considered? | Comment |
|-------|-------------------------|---|---|
| Row 1 | Annually | >6 years | The Group conducts a risk self-assessment process every six months, seeking to identify, assess, classify and internally report significant changes in inherent risks assumed in its environment and business model. The result of this self-assessment is reported first to the Global Risk Committee and then to the Risk Committee, before finally being submitted to the Board of Directors for approval. |

(C2.2b) Provide further details on your organization's process(es) for identifying and assessing climate-related risks.

CaixaBank has joined the Task Force on Climate related Financial Disclosure (TCFD) banking pilot phase II which is organized by UNEP FI. The key objectives of the program are, among others (a) sharing and applying sector-specific clinics on methodologies and experiences of Phase I (b) Dialogue and partnerships with scenario builders, data providers, scientific institutions to improve available methodology (c) Promotion and exchange with investors, financial regulators, high-impact industries and other TCFD groups; showcasing disclosures; etc.

Caixabank's R&O assessment is in line with the TCFD guidelines since the strategic report on R&O arising from climate change (CC) carried out in 2017. The Environmental Risk Management (ERM) Committee has been set up and is responsible for analysing and, where necessary, approving the proposals received from the different functional areas concerning the Bank's strategy and approach, while also identifying, managing and controlling the associated risks as a first line of defence. It informs the Global Risk Committee and the Corporate responsibility and Reputational Committee (CRCR) on the agreements of the Committee. Therefore, our process to assess and manage climate related R&O is now integrated into the company-wide risk assessment and management process.

Internal interviews are conducted with the Risk department and the areas affected by each risk in order to prioritize the identified risks. The most representative areas and subsidiaries (ERM, CSR, Facilities Management, Building Center, Project Finance, AgroBank, CaixaBank Equipment Finance, etc.) contribute to the identification, weight and prioritization of climate-related R&O. Each area identifies climate related R&O according to TCFD categories: Transition Risks and Physical Risks and Opportunities in the areas of Resource Efficiency, Energy Sources, Products and Services, Markets and Resilience. At company level, the risks identification includes aspects such as reputation, legal requirements, stakeholder's impact, global expenses and global incomes among others that can affect the entire Group. At asset level, the conducted risk evaluations consider the physical risks such as extreme meteorological phenomena derived from CC that can affect facilities, Central Services buildings or the branch network offices.

Once the R&O have been identified and described for each area or subsidiary at both asset and company level, the likelihood of the potential financial impacts is determined in the short, medium or long term (from unlikely to very likely), as well as the gross impact magnitude (from low to high) and the net impact magnitude taking into account the impact after CaixaBank Group management, which pretends to reduce the gross impact magnitude. Relevant climate-related risks are those whose likelihood was determined to be likely or very likely and whose gross impact was determined to be medium or higher. As mentioned, results from the climate-related scenarios analysis carried out are considered (see question C3.1d for more details), as scenario parameters have been associated to the identified R&O with medium or higher impact account in the R&O assessment. Financial implications of climate-related risks are assessed, qualitatively for all scenarios considered and quantitatively for the most relevant. All of the above mentioned allows Caixabank to prioritize risks and determine where to take action first.

The Group conducts a risk self-assessment process every six months, seeking to identify, assess, classify and internally report significant changes in inherent risks assumed in its environment and business model. The results of this self-assessment are reported first to the Global Risk Committee and then to the Risk Committee, before finally being submitted to the Board of Directors for approval.

The ERM Committee promotes the integration of the environmental risks into the Corporate Risk Catalogue, a management tool that integrates all relevant and prioritized risks from the different areas and topics. The consequences that these risks could imply at an economic level are assessed at a global scale. The risks are prioritized using indicators, based on costs, and also on a matrix that links the relationship between risks.

When assessing climate-related risks, Caixabank has an internal risk categorization by cost regarding operational losses, based on the expected loss and on the value at risk. According to this, risks are categorised as with low criticality (where the expected loss is under 10,000 EUR and the value at risk is under 100,000 EUR), moderate criticality, high criticality and finally very high criticality (where the expected loss is over 1,00,000 EUR and the value at risk is under 10,000,000 EUR).

(C2.2c) Which of the following risk types are considered in your organization's climate-related risk assessments?

| | Relevance & inclusion | Please explain |
|---------------------|------------------------------------|--|
| Current regulation | Relevant, always included | As explained in detail in question C2.2b, our process to assess and manage climate related R&O is integrated into the company-wide risk assessment and management process, where we conduct a risk self-assessment process every six months to identify and classify our risks (see the question for more information on the risk assessment process). In this process CaixaBank has identified this risk type as relevant for the Group due to its potential substantial impact it can have on the Group. As an example of this risk type is the increased operational cost if the bank is not able to comply with regulations regarding refrigerant gases including the substitution of the most pollutant or the requirements to prevent leaks, such as the Spanish Royal Decree 115/2017, derived from the European regulation 517/2014. Specifically, its likelihood was determined to be likely and gross impact to be medium. |
| Emerging regulation | Relevant, always included | As explained in detail in question C2.2b, our process to assess and manage climate related R&O is integrated into the company-wide risk assessment and management process, where we conduct a risk self-assessment process every six months to identify and classify our risks (see the question for more information on the risk assessment process). In this process CaixaBank has identified this risk type as relevant for the Group due to its potential substantial impact it can have on the Group. As an example of this risk type, the associated with the possible increased operational costs as a result of tax increases on electricity, fuels and water (related to price of HVAC, transportation, etc.). This would imply an increase in the economic cost of purchasing electricity, gasoline, diesel and water both for the central services and the network offices of CaixaBank, as a result of this government measure (tax). Specifically, its likelihood was determined to be likely and gross impact to be medium. |
| Technology | Not relevant, explanation provided | As explained in detail in question C2.2b, our process to assess and manage climate related R&O is integrated into the company-wide risk assessment and management process, where we conduct a risk self-assessment process every six months to identify and classify our risks (see the question for more information on the risk assessment process). In this process CaixaBank has identified this category more as an opportunity rather than a risk, and therefore Technology as a risk is not considered relevant and thus not included in our risk assessment. We see Technology as an opportunity to increase digitalisation of our processes and services: for example, through increased use of our mobile phones' APP by our digital customers, which in addition allows to achieve a reduction in the overall emissions. |
| Legal | Relevant, always included | As explained in detail in question C2.2b, our process to assess and manage climate related R&O is integrated into the company-wide risk assessment and management process, where we conduct a risk self-assessment process every six months to identify and classify our risks (see the question for more information on the risk assessment process). In this process CaixaBank has identified this risk type as relevant for the Group due to its potential substantial impact it can have on the Group. As an example of this risk type, the increased cost for CaixaBank's customers in order to comply with environmental legal requirements (for example, energy and utilities sector, as well as transport, chemical and livestock sector can potentially be affected). Failure in complying could affect its solvency / ability to pay. Thus, this is an example of a legal risk associated with our client's potential inability to comply with general environmental regulations, that could lead to withdrawal of environmental or operational permits and consequentially, this could affect their solvency, and therefore generates a risk of credit repayment. Specifically, its likelihood was determined to be likely and gross impact to be high. |
| Market | Relevant, always included | As explained in detail in question C2.2b, our process to assess and manage climate related R&O is integrated into the company-wide risk assessment and management process, where we conduct a risk self-assessment process every six months to identify and classify our risks (see the question for more information on the risk assessment process). In this process CaixaBank has identified this risk type as relevant for the Group due to its potential substantial impact it can have on the Group. As an example of this risk type, the increased production costs due to changing input prices (e.g. water or raw materials for cement production) and output requirements (e.g. water treatment or concrete manufacturing) for the customers and/or companies in the investing portfolio depending on natural resources that affect their credit solvency. This risk could impact mainly on the AgroBank's activity of CaixaBank. Specifically, its likelihood was determined to be likely and gross impact to be medium. |
| Reputation | Relevant, always included | As explained in detail in question C2.2b, our process to assess and manage climate related R&O is integrated into the company-wide risk assessment and management process, where we conduct a risk self-assessment process every six months to identify and classify our risks (see the question for more information on the risk assessment process). In this process CaixaBank has identified this risk type as relevant for the Group due to its potential substantial impact it can have on the Group. As an example of this risk type, the reduced revenues from CaixaBank's services and products due to a bad perception of the customer about CaixaBank's products adapted to the sustainable approach they are seeking. CaixaBank can be directly affected by the change on the consumers' behaviour, as they may opt for other banks that offer the sustainable approach in the services they are seeking. Specifically, its likelihood was determined to be likely and gross impact to be medium. |
| Acute physical | Relevant, always included | As explained in detail in question C2.2b, our process to assess and manage climate related R&O is integrated into the company-wide risk assessment and management process, where we conduct a risk self-assessment process every six months to identify and classify our risks (see the question for more information on the risk assessment process). In this process CaixaBank has identified this risk type as relevant for the Group due to its potential substantial impact it can have on the Group. As an example of this risk type, the increase in operating costs due to the inability to do business, as a result of extreme weather events that may affect the business continuity of CaixaBank, especially the activities at the headquarters and the network of offices. Extreme weather events such as extreme precipitation, floods and others might affect the business continuity of CaixaBank at our central services (SSCC) buildings and/or our Data Processing Centers (DPC) in Spain. The main consequences of extreme weather events affecting our DPC or SSCC for CaixaBank would be the inability to do business, not at our offices of the branch network, nor at the corporate buildings in Spain nor online through our website or mobile app. This would mean we would not be able to sell any products or services, carry out any transactions, or do any of our daily business actions, which would imply high operational costs for us. Specifically, its likelihood was determined to be likely and gross impact to be high. |

| | Relevance & inclusion | Please explain |
|------------------|---------------------------|---|
| Chronic physical | Relevant, always included | As explained in detail in question C2.2b, our process to assess and manage climate related R&O is integrated into the company-wide risk assessment and management process, where we conduct a risk self-assessment process every six months to identify and classify our risks (see the question for more information on the risk assessment process). In this process Caixabank has identified this risk type as relevant for the Group due to its potential substantial impact it can have on the Group. As an example of this risk type, the reduced revenues from the insurance business as a result of increased insurance premiums and potential for reduced availability of insurance on assets in "high-risk" locations, such as facilities in flood areas or agricultural crops that could be affected by droughts, fires or hail in Spain. Another example of a chronic physical risk is the increased refrigeration costs at the offices network, due to more energy consumption and more refrigerant gases usage (both involving an increase of GHG emissions) as a result of the increasing temperatures. Specifically, its likelihood was determined to be more likely than not and gross impact to be medium. |
| Upstream | Relevant, always included | As explained in detail in question C2.2b, our process to assess and manage climate related R&O is integrated into the company-wide risk assessment and management process, where we conduct a risk self-assessment process every six months to identify and classify our risks (see the question for more information on the risk assessment process). This risk type is included in this process, even though it is not considered as one of the most relevant risk types due to the fact that Caixabank provides an intangible service, which means there is very little upstream transportation of goods. But it is included in this process as it might be more relevant in the future and thus have a bigger impact. As an example of this risk type, the increased operational costs due to tax increases on electricity and fuels, which could affect the cost of transportation of purchased goods, such as paper, toner and also capital goods such as computers, printers, etc. Specifically, its likelihood was determined to be more unlikely than likely and gross impact to be medium. |
| Downstream | Relevant, always included | As explained in detail in question C2.2b, our process to assess and manage climate related R&O is integrated into the company-wide risk assessment and management process, where we conduct a risk self-assessment process every six months to identify and classify our risks (see the question for more information on the risk assessment process). In this process Caixabank has identified this risk type as relevant for the Group due to its potential substantial impact it can have on the Group. As an example of this risk type, the increased cost for customers in order to comply with environmental legal requirements (for example, energy and utilities sector, as well as transport, chemical and livestock sector can potentially be affected). Failure in complying could affect its solvency / ability to pay. Thus, this is an example of a downstream risk associated with our client's potential inability to comply with general environmental regulations, that could lead to withdrawal of environmental or operational permits and consequentially, this could affect their solvency, and therefore generates a risk of credit repayment. Specifically, its likelihood was determined to be likely and gross impact to be high. |

C2.2d

(C2.2d) Describe your process(es) for managing climate-related risks and opportunities.

As mentioned, our process to assess and manage climate related R&O is integrated into the company-wide risk assessment and management process. CaixaBank has joined the TCFD banking pilot phase II aimed at supporting the identification and disclosure of climate related R&O, including physical and transition risks.

ESG governance and integration of ESG factors into business activities is based on the following risk management bodies:

- ERM: It is the most senior specialised executive body at CaixaBank when it comes to environmental risk management and is responsible for identifying, managing and controlling the associated risks as a first line of defence. All environmental risk management initiatives are supervised by this committee. It may also seek the advice of the environmental risk experts attached to the Bank's various business areas involved in environmental risk acceptance, management, monitoring or control activities.
- Transaction Appraisal Unit: it constitutes the operating unit specialised in environmental risk to support the company in the daily decision-making processes linked to the ordinary business of granting risks, and informs the ERM;
- Environmental Risk Management Policy: Within the framework of CaixaBank's Environmental Strategy, we developed an Environmental Risk Management Policy, approved by the Board of Directors, that regulates the financing of certain companies and projects representing a potential ESG risk, including climate change risks, establishing the requirements under which CaixaBank will not assume credit risk. The objective of the Risk Management Policy is to frame the global principles for the approval, management, communication and disclosure of environmental risks.
- The Management of Environmental R&O Corporate Direction

Once the R&O are identified, described, quantified and prioritised they are managed in order to mitigate the risks or take advantage of the opportunities.

The management process for climate related risks (both transitional and physical risks) is as follows: the ERM promotes the integration of the environmental risks into the Corporate Risk Catalogue, a management tool that integrates all relevant and prioritized risks from the different areas and topics. Here the consequences that these risks could imply at an economic level are assessed at a global scale. The risks are prioritized using indicators, based on costs, and also on a matrix that links the relationship between risks. The results are communicated to the Board of Directors thorough the Risk Committee. From here, the risks are managed by the corresponding team/department implementing the specific actions to manage the risk.

As an example, once the transitional risk associated to increased operational costs due to tax increases on electricity is identified and prioritised (as it was assessed with a likelihood of "likely" and an impact magnitude of "medium"), it is reported by the ERM and integrated into the management tool. After being communicated to the board of directors, the risk is managed by the ERM, which together with the Environmental Committee, planned and executed the implementation of specific actions to manage the risk. These actions included in 2017 and 2018 the development of energy efficiency projects in Spain, specifically 3 main projects related to domotics, instalment of LED lightning in 935 of our network offices and replacement of 369 high-energy consumption air conditioning units for more efficient ones, among others.

Regarding an example of a physical risk, such as the one associated to increased operating costs due to inability to do business as a result of extreme weather events impacting our offices, corporate buildings and/or our Data processing centres (DPC), it follows the same process (as it was assessed with a likelihood of "likely" and an impact magnitude of "high"), but in this case the risk was managed by CaixaBank Facilities Management, who developed viability studies taking into account climate parameters in order to choose the location of the DPCs. The risk is also managed through the Continuity Management System according to ISO22301:2012 certified by BSI, which allows the group to continue with daily work even after unusual incidents such as fires, floods.

Regarding the management process for climate-related opportunities, it is split in different areas of CaixaBank, depending on where the opportunity is identified. For example, opportunities can be managed by the areas of business development area, innovation, CSR, purchases, etc. Each department manages the opportunities identified in its area of focus and develops proposals in respect to these, whether they are regarding new products, technological improvements, etc. As an example, if the opportunity is related to a new financial product it is managed by the Business Committee, whereas if it is an opportunity regarding an organizational change it is managed by the Organization and efficiency Committee.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Transition risk

Primary climate-related risk driver

Policy and legal: Increased pricing of GHG emissions

Type of financial impact

Increased operating costs (e.g., higher compliance costs, increased insurance premiums)

Company- specific description

This risk is associated to the increased operational costs due to tax increases on electricity, fuels and water (related to price of HVAC, transportation, etc.). In 2018 our electricity consumption was 158,701.27 MWh, so an increase in energy prices in Spain, where we operate, as a result of increased pricing of GHG emissions would imply an increase in our costs regarding the purchase of electricity, gasoline, diesel (own fleet) and water. This expected increase in costs may arise from government measures (taxes), market causes or a combination of both. CaixaBank is already mitigating this risk through the implementation of several energy efficiency measures in 2018, such as instalment of LED lightning in our branch offices in Spain and replacement of 369 acclimatization equipments for more efficient ones in our central services buildings and offices in Spain.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

350000

Potential financial impact figure – maximum (currency)

875000

Explanation of financial impact figure

It is difficult to predict exactly what will be the future increase in energy costs, due to the many factors that affect it. To make an estimation, we assume a proportional increase in the electricity prices between 2-5%, based on the evolution of electricity prices in Spain in the period 2008-2016 (source: EUROSTAT). Considering our energy costs in 2018 were 17.5 M EUR, the estimated financial implications are a yearly operational cost increase of around 350,000 to 850,000 EUR (increase of 2% and 5% respectively).

Management method

The cost of managing this risk is directly associated to the investment in energy efficiency. Since 2017, CaixaBank has had in place

an Energy Committee in addition to the Environmental Committee, which is charged with supervising the optimisation of the bank's energy management. Moreover, Caixabank renewed its Environmental and Energy Policy in 2018, reinforcing its commitment with promoting the purchase of energy efficient products and services designed to improve and optimise energy use. In 2018 the investment in energy efficiency represented around 13.1 M EUR for Caixabank. This includes 3 main projects related to energy efficiency that Caixabank started implementing in 2017 (see question C4.3b for details). For example, savings of almost 230,000 kwh were achieved in our central services buildings after the implementation of several energy efficiency initiatives, such as changing the current less efficient lighting systems to LED in 16 floors, improving the sectorisation and remote control of consumption at these refurbished plants and improving the system for monitoring the building's energy consumption. Our Energy consumption has decreased yearly as a result of the implementation of these energy efficiency projects, among others, and we will continue to work in this line to reduce our energy consumption so we can further mitigate this risk. >99 % of the energy consumed is from renewable sources, which is currently a way of mitigating part of this risk too.

Cost of management

13123355

Comment

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Customer

Risk type

Transition risk

Primary climate-related risk driver

Policy and legal: Exposure to litigation

Type of financial impact

Increased credit risk (e.g., increased probability of default and/or loss given default)

Company- specific description

This risk is associated to the increased cost for our customers in order to comply with environmental legal requirements (for example, energy and utilities sector, as well as transport, chemical and livestock sector can potentially be affected). Failure in complying could affect our customers' solvency / ability to pay. CaixaBank has clients from diversified sectors, that are exposed to a wide variety of environmental regulations. As mentioned, there is a risk associated with our client's potential inability to comply with general environmental regulations, leading to withdrawal of environmental or operational permits and consequentially, this could affect their solvency, and therefore generates a risk of credit repayment. This risk could potentially affect one of Caixabank's subsidiary, Agrobank, a business line specialized in the agricultural sector as well as in the agro-food industry. In this case, the livestock sector can potentially be affected by changes in environmental regulations, as the liquid manure management has a substantial impact on climate change. In this case, the base normative would be the EU-nitrates directive (91/676/EEC), which entered into force in 1991, aiming to protect water quality across Europe by preventing nitrates from agricultural sources polluting ground and surface waters and by promoting the use of good farming practices. It is one of the key instruments in the protection of waters against agricultural pressures. This is an example of this risk affecting the agrarian sector, and thus our subsidiary Agrobank, but environmental regulation affects almost all sectors and the inability to operate and its incompliance may lead to an increase our operational costs due to managing credit accounts (lawyers, credit studies, etc).

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

3128000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The financial implications associated to this risk depend on the kind of client affected by the specific environmental regulation. Taking the agrarian sector of the "description" column as an example: if the sector became unable to operate and led to bankruptcy (and, therefore, unable to repay credits) losses may rise to 3,128 M EUR per year. This value has been estimated considering the ordinary revenue of Agrobank in 2018.

Management method

We have already implemented measures to manage this risk. Risks related to exposure to litigation are implicit in the risks admission criteria. The prevention measures implemented in the model for admitting CaixaBank Group risk are robust. Energy and food sectors are highly regulated, so that environmental compliance is a mandatory criteria to operate. For both, the Group has specialized teams that identify and evaluate the associated risks in the process of risk acceptance as a prestage to finance any operation. These teams control that each of the new energy, utilities, agrarian or livestock projects that are funded through CaixaBank loans comply with the environmental regulations. In addition, new regulations that affect the sector are monitored. For projects that need an investment higher than 7 M € CaixaBank Group follows the Equator Principles and therefore it is mandatory to define and adopt actions to reduce the magnitude and likelihood of this risk in a continuous and preventive manner. The cost of managing this risk relies mainly on the wage of the abovementioned team of specialists on risk analysis of the agrarian and livestock sector that is responsible for developing preventive actions that enable us to reduce the financial risk of the projects that we fund within this sector. The cost of management of this risk is 1.5 M € a year, which has been estimated considering the 25 employees currently working at Agrobank and the average annual salary at CaixaBank in 2018 (62,237 €).

Cost of management

1555925

Comment

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Transition risk

Primary climate-related risk driver

Reputation: Increased stakeholder concern or negative stakeholder feedback

Type of financial impact

Reduced revenue from decreased demand for goods/services

Company- specific description

This risk is associated to the reduced revenues from services and products of CaixaBank due to a bad perception of the customer about CaixaBank's products adapted to the sustainable approach they are seeking. CaixaBank currently offers low carbon products and services, such as ecoLoans, ecoMicrocredits (which are offered by CaixaBank to finance e.g. vehicles that are more environmentally friendly as well as home improvements to raise energy efficiency, among others.), ecoFund (which invests only in environmentally friendly assets and stocks), green accounts (which collaborate with WWF and sustainable development). However, CaixaBank could be directly affected by the change on the consumers' behaviour, who could potentially demand a wider range of low carbon products and services, or improved versions of them. With this, customers may opt for other banks that offer the sustainable approach in the services they are seeking. Considering the awareness of the stakeholders of CaixaBank, products and services related or influenced by Climate change and the environmental performance are key aspects to maintain the ability of the bank to do business. Customer's purchase or investment decisions can be based on an environmental and social performance of the bank, and are very important for the successful development of CaixaBank and all its subsidiaries. CaixaBank is currently mitigating this risk.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1426000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The main financial implications of this risk would be the reduction of revenue from the reduced demand for goods or services. As an estimation of the volume of this risk, CaixaBank had an environmental production in 2018 of 1,426 M EUR. Specifically, this value includes: -Green loans (1,263 M EUR); -30 M EUR green finance for Encevo S.A; -EcoFinancing: 451 loans for EUR 6.7 million in 2018, granted to acquire efficient vehicles and electrical appliances, cars and to carry out home refurbishments to improve energy efficiency, etc. -Climate action lines (65 M EUR): In 2018, CaixaBank signed an agreement with the European Investment Bank (EIB) to fund investments in SMEs, individuals, and the public sector to combat climate change (e.g., electric cars, modifications to facilities, and home improvements). In addition, CaixaBank acts as a broker for EIB funds related to renewable energy projects. - Production of woody products from AgroBank: 61.6 M EUR.

Management method

In order to mitigate this risk, the Group identifies the stakeholders that would mostly influence the decrease of the demand in CaixaBank's products (investors, clients, organizations). CaixaBank promotes the offer of green products, such as EcoMicrocredits, ecoLoans, the Green account of MicroBank; the Microbank Ecological Fund, among others, as explained in the description column. CaixaBank has a Product Committee, who has the responsibility to approve new products or services designed and/or marketed by the Bank, after analysing the features and risks associated with each product, its suitability for its target market and its compliance with consumer protection and transparency rules. Also, in CaixaBank there is a specific team that manages ESG risk and attends inquiries from the branch network through a reputational risk service, a new service created in 2017. Also, in 2017 a new Committee to deal with all issues related to corporate social responsibility and reputation (ESG) of the Group companies was created, in a quarterly basis. The cost of management of this risk is 622,370 EUR, which has been estimated considering the 10 managers working in these matters on developing the Corporate Social Responsibility and the average annual salary at CaixaBank in 2018 (62,237 EUR). The costs of offering the Green Account and EcoMicroCredits are part of the regular business.

Cost of management

622370

Comment

Here are other actions the Group carries out to manage this risk: If any department of CaixaBank have a minimal suspicion about a possible ESG risk, they contact Compliance department and a dedicated team in CSR department in order to make sure before the approach to Risk Concession. The Group also develops targets in its Environmental Statement and improve the inclusion and better performance in Sustainability Indexes (FTSE4Good, DJSI, ASPI, etc.). In addition, CaixaBank updates the procedures followed in the Equator Principles and progresses in the implementation criteria during the process of financing other areas. Moreover, for the proper management of ESG risks, both in VidaCaixa and in CaixaBank Asset Management there are specialized expert teams in ESG risk management. Finally, the Corporate Responsibility and Reputation Committee of CaixaBank was restructured in 2017, providing it with an executive role and with a monthly frequency.

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Physical risk

Primary climate-related risk driver

Acute: Increased severity of extreme weather events such as cyclones and floods

Type of financial impact

Increased operating costs (e.g., inadequate water supply for hydroelectric plants or to cool nuclear and fossil fuel plants)

Company- specific description

The risk is associated to the increase in operational costs as a result of impacts on the continuity of the services provided from the installations and the inability to do business, in relation to the potential increase in extreme weather events. According to the IPCC, extreme weather events such as extreme precipitation, floods and others will increase in the Mediterranean region, and therefore they might affect the business continuity of CaixaBank at our central services (SSCC) buildings and/or our Data Processing Centers (DPC) in Spain. CaixaBank's Data Processing Centres (DPC) are able to carry out more than 11,000 transactions per second. The main consequences of extreme weather events affecting our DPC or SSCC for CaixaBank would be the inability to do business, not at our offices of the branch network, nor at the corporate buildings in Spain nor online through our website or mobile app. This would mean we would not be able to sell any products or services, carry out any transactions, or do any of our daily business

actions, which would imply high operational costs for us.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

435500000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

As mentioned, this risk could affect CaixaBank due to a temporal reduction in the amount of daily business and in the inability to work in the offices that could become affected by a shutdown of the systems as a result of extreme meteorological phenomena. The financial implications are estimated considering different scenarios of failure of our IT systems in case of a catastrophic climate event that would damage and impact our central services (SSCC) buildings in Spain or the Data Processing Center (DPC), which would have an associated increase in our operational costs. Taking the most severe of the scenarios we carried out (critical failure of our IT systems), the financial impact is estimated to be of around 435.5 M EUR.

Management method

CaixaBank has implemented a Business Continuity Management System according to ISO22301:2012 certified by BSI. This action allows the group to continue with daily work even after unusual incidents such as fires, floods, etc. CaixaBank has built 3 Data Processing Center (DPC) since 2012, where we took into account measures to minimize possible damages of extreme climatic parameters that could occur in the place where the buildings were constructed. With the third DPC, the probability of this risk affecting the Group decreases even more. Before choosing the location of new DPCs, CaixaBank Facilities Management develops viability studies taking into account climate parameters. In terms of security, these centers have flood alarms and fire alarms in order to prevent associated risks to extreme weather events. Also, CaixaBank was designated as Critical Operator in July 2017 due to the implementation of the EU Council Directive 2008/114 on the identification and designation of European critical infrastructures and the assessment of the need to improve their protection. This Law, as well as the Spanish Committee on Business Stability (CESFI), requires CaixaBank to have Security and Protection Plans regarding its DPCs, including their installations in parallel connection in order to have a back-up and avoid possible breaks. The cost of managing this risk is 3.77 M EUR, which corresponds to the cost of investment of the DPC and its annual maintenance cost.

Cost of management

3770000

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient production and distribution processes

Type of financial impact

Reduced operating costs (e.g., through efficiency gains and cost reductions)

Company-specific description

This opportunity is associated to the reduced operational costs due to implementation of Voluntary Standards such as ISO14001, ISO 50001, Ecolabels and EMAS, which helps us reduce operational costs related to energy, water and paper consumption, emissions, etc. In a world increasingly aware of the need to protect the environment in which we live and carry on our activities, and as part of our on-going improvement policy, CaixaBank specified its actions to respect and protect the environment through the implementation of an environmental and energy management system, in line with the European regulation EMAS 1505/2017 and the ISO 14001 and ISO 50001 standards. This aspiration is reflected in the other responsible policies of the entity, such as the Code of Business Conduct and Ethics, the Corporate Social Responsibility Policy and the Declaration on Climate Change. As a result of the implementation of these voluntary standards, CaixaBank has reduced its electricity consumption by almost 5% in 2018 compared to 2017 (166.548 MWh in 2017 compared to 158.701 MWh in 2018), and avoided the consumption of 825.740 kg of paper and 140 kg of plastic, among others. CaixaBank will continue to implement these standards

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

734000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

As mentioned, as a result of the implementation of these voluntary standards, CaixaBank has reduced its electricity consumption by almost 5% in 2018 compared to 2017 (166,548 MWh in 2017 compared to 158,701 MWh in 2018). In this sense, the financial implications of this opportunity are associated to the reduced operating costs as a result of these energy savings achieved through the implementation of several energy efficiency actions, both in our Branch network offices and in our corporate buildings in Spain. Thus, in 2018 this cost reduction was around 734,000 EUR, which was avoided due to the targets established through the EMS, e.g. projects related to energy efficiency including domotics, instalment of LED lightning in 1,935 of our offices and replacement of 569 high-energy consumption air conditioning units with more efficient units.

Strategy to realize opportunity

We assure the realization of this opportunity through the environmental and energy management system we have implemented, in line with the European regulation EMAS 1505/2017 and the ISO 14001 and ISO 50001 standards, also reflected in other policies of the entity, such as the Code of Business Conduct and Ethics, the Corporate Social Responsibility Policy and the Declaration on Climate Change. Several energy efficiency projects have been implement in the past years: 3 main projects related to energy efficiency such as domotics, instalment of LED lightning in 1,935 of our offices and replacement of 569 high-energy consumption air conditioning units with more efficient units in our branch network (BN) in Spain. These projects achieved in 2018 an overall energy consumption reduction of 4,243 MWh. Other methods to realize this opportunity include (1) the implementation and improvement of CaixaBank's Environmental and Energy Policy, renewed in 2018. The scope of the ISO 14001 Certification was extended to the Corporative building of CaixaBank in Madrid. The cost of managing this opportunity is directly associated with the budget for the team, tools, and infrastructure needed to design and guide the implementation of some of the actions of the EMS, which in 2018 accounted for around 13.1 Million EUR (also including the important revision of the Environmental Declaration, the establishment

and monitoring of targets, the environmental legislation database, etc.)

Cost to realize opportunity

13123355

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient production and distribution processes

Type of financial impact

Increased production capacity, resulting in increased revenues

Company-specific description

This opportunity is associated to increased revenues due to new credit and investment opportunities at new efficient production and distribution processes: for example, related to innovation with drones at the agricultural sector, or more efficient machinery at other industrial sectors. In this sense, since its launching in 2014, Agrobank, which is CaixaBank's business line specialized in the agricultural sector as well as in the agro-food industry, is rapidly expanding, achieving over 1,000 branches in towns with under 10,000 inhabitants. In this sense, and considering the mentioned expansion of the business line Agrobank since 2014 the turnover has increased +32% from 2014 to 2018., achieving 342,350 customers.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

3128000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The financial implications are mainly related to the potential future credit and investment opportunities within the agricultural and agro-industrial sector, which would benefit Agrobank, CaixaBank's business line specialized in the agricultural sector as well as in the agro-food industry. In this sense, and considering the mentioned expansion of the business line Agrobank since 2014 and the increase in turnover of +32%, future annual revenues associated to this opportunity could be of 3,128 M EUR per year. This value has been estimated considering the ordinary revenue of Agrobank in 2018.

Strategy to realize opportunity

Caixabank's line AgroBank collaborates with the Spanish Ministry of Industry and Environment in order to align its strategy to every future climate-related opportunity that might emerge. In addition, CaixaBank signs periodically with the European Investment Bank financing agreements for SMEs and midcaps for efficient projects. The funds mainly finance the investment projects in the industrial and services sectors excluding sectors and activities which give rise to environmental impacts. The eligible activities/investment components include modernization of equipment, investment in more efficient treatments resulting in environmental footprint, etc. The cost of management of this risk is 1,555,925 EUR a year, which has been estimated considering the 25 employees currently working at Agrobank and the average annual salary at CaixaBank in 2018 (62,237 EUR).

Cost to realize opportunity

1555925

Comment

Identifier

Opp3

Where in the value chain does the opportunity occur?

Customer

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Type of financial impact

Increased revenue through demand for lower emissions products and services

Company-specific description

This opportunity is associated to the increased investors demanding for green bonds. In 2018, CaixaBank has participated as joint bookrunner in the placement of two green bonds (Iberdrola and EDP) for investment in sustainable assets. According to the Climate Bonds Initiative, in 2018 a growth trend in the market is expected to continue, for issuance to reach USD250-300bn. The public sector, through sovereign and sub-sovereign issuance and innovative regulation, will increasingly create and shape markets with the milestone of reaching USD1 trillion in green bonds by 2020 growing in prominence as an international green finance objective. This would generate more access to capital when CaixaBank acts as a bond issuer, and increased revenues when it acts as a bond underwriter. This opportunity would allow CaixaBank to obtain potential funds and to diversify the scope of investors.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1300000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The financial impact of this opportunity is related to the potential increased revenues from issuing green bonds and from participating as green agents in the issuing of green loans. In 2018, CaixaBank participated as a Joint Bookrunner in the allocation of green bonds for the investment in sustainable asset. As an estimation of the future potential impact of the opportunity, in 2018 we participated in the placement of two green bonds –Iberdrola and EDP- by an amount of 1,300 M€.

Strategy to realize opportunity

CaixaBank has been a signatory of the Green Bond Principles since 2015. Since then, the Company has participated in the placement of green bonds for projects with a positive climate impact. The Group is taking action to assess the potential of this opportunity in the future, mainly from Corporate and Institutional Banking, the corresponding department that Works on this business line in CaixaBank. The cost of realizing this opportunity is associated to the salary of this team that offers sustainable bonds and works towards capturing new opportunities in this sense. The salary is estimated at 62,237 EUR a year, which is the average annual salary at CaixaBank in 2018.

Cost to realize opportunity

62237

Comment

Identifier

Opp4

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Type of financial impact

Increased revenue through demand for lower emissions products and services

Company-specific description

This opportunity is associated to the increased revenues from Green credit lines. CaixaBank uses its market expertise to support the most environmentally conscious projects that help prevent, mitigate and address climate change and the transition to a low-carbon economy. These "green projects" include low-carbon technologies and infrastructure, green transport, water and waste management, sustainable hotels, precision farming, etc. CaixaBank designs and markets green products and services in all segments of activity. Especially relevant in its activity are the retail segment and the Corporate&Wholesale segment. For example, CaixaBank grants ecoLoans and ecoMicrocredits for green purposes, such as purchasing efficient vehicles, investments that improve efficiency in the consumption of resources, ecological products, etc. Additionally, the wholesale green loan market is increasing since the first green loan issued in 2014. Thomson Reuters reported the volume of green loans syndicated in Europe to around 19 billion EUR as of March 2018. This rising trend creates an opportunity for CaixaBank as a Green Facility Agent.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1426000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

As an estimation of the financial impact of this opportunity, throughout 2018, CaixaBank had an environmental production of 1,426 M EUR. Specifically, this value includes: -Green loans (1,263 M EUR); -30 M EUR green finance for Encevo S.A; -EcoFinancing: 451 loans for EUR 6.7 million in 2018, granted to acquire efficient vehicles and electrical appliances, cars and to carry out home refurbishments to improve energy efficiency, etc. -Climate action lines (65 M EUR): In 2018, CaixaBank signed an agreement with the European Investment Bank (EIB) to fund investments in SMEs, individuals, and the public sector to combat climate change (e.g., electric cars, modifications to facilities, and home improvements). In addition, CaixaBank acts as a broker for EIB funds related to renewable energy projects. -Production of woody products from AgroBank: 61.6 M EUR.

Strategy to realize opportunity

CaixaBank is already managing this opportunity: The Group has developed different financing lines to support these green projects that contribute to prevent, mitigate and provide a response to climate change, such as the mentioned ecoLoans and ecoMicrocredits for green purposes, such as purchasing efficient vehicles, investments that improve efficiency in the consumption of resources, ecological products, etc. CaixaBank has a Product Committee, who has the responsibility to approve new products or services designed and/or marketed by the Bank, after analysing the features and risks associated with each product, its suitability for its target market and its compliance with consumer protection and transparency rules. The cost of managing this opportunity has been estimated of 311,185 EUR a year, considering the team working in this business line and realization of this opportunity at CaixaBank and considering the average annual salary at CaixaBank in 2018 (62,237 EUR). CaixaBank has specific products and credit lines for those companies with responsible conduct and ESG performance, which also widens CaixaBank's product portfolio.

Cost to realize opportunity

311185

Comment

Identifier

Opp5

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Markets

Primary climate-related opportunity driver

Use of public-sector incentives

Type of financial impact

Increased revenues through access to new and emerging markets (e.g., partnerships with governments, development banks)

Company-specific description

This opportunity is associated to the increased revenues through the participation and agreements with public sector initiatives and investors and public agents (partnerships with banks such as European Investment Bank to promote the efficiency). The European Commission is working on a Sustainable Finance Plan and one of the potential impacts could be the decreasing capital requirements for investing or financing green assets. Additionally, VidaCaixa and CaixaBank Asset Management are adhered to the UN Principles for Responsible Investment, offering products with responsible investment that are increasingly demanded, as well as to the Climate Action 100+ (initiative led by UNPRI), to drive the clean energy transition and help achieve the goals of the 2015 Paris Agreement (COP21). In 2018, CaixaBank signed an agreement with the European Investment Bank (EIB), involving credit facilities worth €30 million to finance investments of SMEs, individuals and the public sector to fight against climate change (electric vehicles, changes in facilities, home refurbishments, etc.).

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

49717992000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The estimation of the financial impact is related to the amount of money managed under UNPRI by VidaCaixa, including the insure and the pension funds (83,996,000 EUR), the investment managed in accordance with UNPRI in CaixaBank Asset Management (49,603,996,000 EUR) and the Climate Action financing line signed with the European Investment Bank (30,000,000 EUR).

Strategy to realize opportunity

Caixabank, through the work of the Environmental Committee, is already taking action to realize this opportunity. This committee is responsible for the entity's Environmental Management and it proposes, approves and rises to the Management Committee the environmental policy of the company and its amendments, as well as the environmental strategy, the adherence to national and international initiatives and the agreements signed related with sustainability. As mentioned, in 2018, CaixaBank signed an agreement with the European Investment Bank (EIB), involving credit facilities worth €30 million to finance investments of SMEs, individuals and the public sector to fight against climate change (electric vehicles, changes in facilities, home refurbishments, etc.). The cost of managing this opportunity has been estimated to 186,711 EUR, considering the team working for the realization of this opportunity at Caixabank and considering the average annual salary at Caixabank in 2018 (62,237 EUR).

Cost to realize opportunity

186711

Comment

(C2.5) Describe where and how the identified risks and opportunities have impacted your business.

| | Impact | Description |
|--------------------------------------|---|--|
| Products and services | Impacted | Caixabank has identified that CC poses an opportunity to develop more low-emissions products (Opp 4) and at the same time a risk associated to reduced revenues from reduced demand of products and services (Risk 3). CaixaBank has kept taking action in order to reduce its climate change contribution, which is materialised in one of the 5 lines of action of Caixabank's CSR Master Plan focused on the Environment, specifically through the promotion of the purchase of energy efficient products and services designed to improve and optimise energy use and integrating environmental criteria into its products and services. Identified R&O that have impacted this area of Caixabank have been integrated into Caixabank's business strategy and planning through the implementation of several actions in order to manage these R&O (see example of action below), through the monitoring of the annual sales of Caixabank's "green" products (including EcoMicroCredits, the Green account of MicroBank, the Microbank Ecological Fund), through the work in research to develop more "green" products, among others. Some of the management actions carried out to mitigate Risk 3 are the identification of the stakeholders that would mostly influence the decrease of the demand in CaixaBank's products and services due to a non-sustainable performance and the development of targets in its Environmental Statement and improve the inclusion and better performance in Sustainability Indexes and promoting the offer of green products. Besides, in 2016 an external advisor of VidaCaixa calculated the carbon footprint of its pension plan (Pensions Caixa 30) through MSCI Carbon Portfolio Analytics. Therefore, this area has already been impacted (medium magnitude) and it is estimated that it will be even more impacted in the future (medium-high magnitude): Specifically, we estimate a higher future impact regarding our offer of green financial services, which include green financing (funding of renewable energy projects, ecofinancing, green loans, etc.), green bonds and green funds. We also estimate to analyse new opportunities in the agricultural sector (and other sectors) as a result of the work with the TCFD, and to offer more green products in the future, a business line which is integrated into our strategic plan. |
| Supply chain and/or value chain | Impacted for some suppliers, facilities, or product lines | One of the most relevant issues related to Climate change identified is associated to customer demand and supplier's management. The Risk Global Management area, Project Finance, Corporate and Institutional Banking and AgroBank (commercial area specifically dedicated to the agribusiness sector) are the most exposed areas related to companies financing, especially to the high energy consumers, energy and utilities and infrastructure and agricultural sectors. Caixabank has identified that policy changes regarding environmental regulations could affect its customers and their solvency/ability to pay (Risk 2). Caixabank has integrated this risk into the business strategy and planning when evaluating its value chain by implementing robust prevention measures in the model for admitting CaixaBank Group risk, considering its procedure manual and requiring certain documentation as part of the due diligence process. Therefore, risks related to exposure to litigation are implicit in the risks admission criteria. Energy and food sectors are highly regulated, so that environmental compliance is a mandatory criteria to operate. The Group has specialized teams for both energy and food sectors that identify and evaluate the associated risks in the process of risk acceptance as a pre-stage to finance any operation. These teams control that each of the new energy, utilities, agrarian or livestock projects that are funded through CaixaBank loans comply with the environmental regulations. In addition, new regulations that affect the sector are monitored. For projects that need an investment higher than 7 EUR million CaixaBank Group follows the Equator Principles and therefore it is mandatory to define and adopt actions to reduce the magnitude and likelihood of this risk in a continuous and preventive manner. Thus, it has impacted us already at a medium magnitude in this business area. In addition, we predict that as a result of the work carried out with the TCFD in the next years we will be able to further and better analyse the transitional risks of our portfolio in different sectors (oil, gas, etc.), so we can limit our operations in these carbon intensive sectors. Despite being few, they are big operations and thus we predict the future impact will be of medium magnitude. |
| Adaptation and mitigation activities | Impacted | Caixabank has identified that climate change has impacted the adaptation and mitigation activities of the Group. As an example, the identified opportunity (Opp 1) of reduced operational costs due to implementation of Voluntary Standards such as ISO14001, EMAS and ISO50001, which helps to reduce costs related to energy, water and paper consumption, emissions, etc. as a result of the implementation of several mitigation measures (such as energy efficiency measures). After the Paris Agreement CaixaBank has kept acting in order to reduce its climate change contribution, which is materialised in one of the 5 lines of action of Caixabank's CSR Master Plan, approved in 2017. This line is focused on the Environment, specifically in collaborating in the fight against climate change through climate risk management, the progressive integration of environmental criteria in the portfolio and the reduction of the carbon footprint / improvement of environmental efficiency. Two programs have been defined with specific actions for the management of climate risk in financing and investment, the incorporation of environmental criteria in products and services and in the incorporation of energy efficiency measures and emissions reduction (LEDs, air conditioners, paperless, gradual reconversion of the car fleet to hybrid / electric). In this context, the Bank renewed its Environmental and Energy Policy in 2018 reinforcing its commitment with promoting the purchase of energy efficient products and services designed to improve and optimise energy use, supporting initiatives that are geared towards preventing, mitigating, adapting or responding to climate change and integrating environmental criteria into its products and service offering, among others. Thus, it has impacted us already at a medium magnitude in this business area. In addition, the new Environmental Risk Management Policy developed in 2018 has already allowed us to identify operations with a high environmental risk (i.e carbon intensive) and despite being few, they are big operations, and thus we predict the future impact will be of medium magnitude. |
| Investment in R&D | Impacted | As mentioned previously (see row: Products and services), Caixabank has identified that climate change poses an opportunity to develop more low-emissions products (Opp 4), which require investment in R&D. CaixaBank is committed to respecting the natural surroundings, a commitment that stretches beyond its legal obligations and is concretized by a system of environmental management integrated into its business operations, which covers all its projects, services and products, as well as the "la Caixa" Foundation programs. The strategy of CaixaBank on climate change aligns correctly with the funding of research organizations through the funding of "La Caixa Foundation" which invests part of the budget in the ClimaDat research project. Funding this kind of research projects (indirectly, through financing "La Caixa" Foundation) is part of the climate change strategy of CaixaBank, as a measure for obtaining more information on climate change in order to manage the risks derived from Climate change that CaixaBank may face as a Bank, and using the data obtained, work to develop new products with a lower environmental impact and that can help customers face the new climate challenges projected in the future. In addition, Caixabank launched DayOne, a new concept of financial services created to accompany global start-ups and scale-ups with activity in Spain that seek to accelerate their growth through specialized financial advice. These include e.g. financing of electric bikes projects as well as innovative projects which also contribute to emission reductions due to its high technological component. Thus, this area has already impacted (low level of magnitude) and it is estimated that it will be impacted equally in the future: we estimate to keep investing so we can develop and offer more and better low-carbon and green products and services as well as investing in technology innovation. |

| | Impact | Description |
|-----------------------|---------------|---|
| Operations | Impacted | <p>The Bank has defined a strategy to reduce its risk and benefit from the opportunities from climate change. It has identified the main areas affected by climate change and has established measures to mitigate the risks. CaixaBank Facilities Management and Buiding Center are exposed to climate change. CaixaBank Facilities Management is in charge of managing its offices, including maintenance, security, purchases and supplies and Building Center is the Group's real estate company. All of them have defined a mitigation and control procedures to minimize the risks that may arise from their operations. One of the opportunities identified by Caixabank (Opp 1) regarding the impact of climate change in Caixabank's operations is the reduced operational costs due to implementation of Voluntary Standards such as ISO14001, EMAS and ISO50001, which helps to reduce operational costs related to energy, water and paper consumption, emissions, etc. This has been integrated into Caixabank's strategy and planning through annually implementing several energy efficiency initiatives to improve the energy efficiency of our own operations and reduce emissions. The Bank renewed its Environmental and Energy Policy in 2018 reinforcing its commitment with promoting the purchase of energy efficient products and services designed to improve and optimise energy use, among others. In addition, in 2018 we outlined an Environmental Strategy and released the Statement on Climate Change, which reaffirms our commitment and contribution to work towards a low-carbon economy by decreasing the direct impact of our operations and financing and investing in sustainable projects. Caixabank invested in 2018 over 13.1 Million EUR in energy efficiency projects (domotics, LED instalment, etc.) achieving a reduction of almost 5% of our energy consumption from 2017 to 2018, which represented a cost reduction of around 734,000 EUR. Thus, this area has been impacted by climate change (medium magnitude) and it is expected that it will be impacted equally in the future years. In addition, Caixabank is studying the possibility of purchasing renewable energy through PPA (power purchase agreement) in the future, which would represent a low-risk investment (PPA), among other potential benefits.</p> |
| Other, please specify | Please select | |

C2.6

(C2.6) Describe where and how the identified risks and opportunities have been factored into your financial planning process.

| | Relevance | Description |
|---|---|--|
| Revenues | Impacted | Climate-related R&O have impacted our revenues (medium-low magnitude), for example, as a result of changes on demand for CaixaBank's products and services. An identified opportunity (Opp 2) that has increased our revenues is the associated to new credit and investment opportunities at new efficient production and distribution processes (for example innovation with drones at the agricultural sector, or more efficient machinery at other industrial sectors). In this sense, since its launching in 2014, Agrobank, CaixaBank's business line specialized in the agricultural sector as well as in the agro-food industry, is rapidly expanding, achieving in 2018 over 1.000 branches and 348.000 customers. In addition, Opp3 (associated Green credit lines) has also impacted this area, and we estimate it will keep impacting it in the future as more we develop more green products and services in the future. |
| Operating costs | Impacted | CaixaBank is exposed to climate-related R&O through its lending and its financial activities as well as its own operations. This area of our financial planning process has already been impacted by climate-related R&O. As an example, it has been positively impacted (medium magnitude) as we have identified an opportunity (Opp 1) to reduce our operating costs through the implementation of Voluntary Standards such as ISO14001, EMAS and ISO50001, which helps to reduce operating costs related to energy, water and paper consumption, emissions, etc. This has been integrated into CaixaBank's strategy and planning through annually implementing several energy efficiency initiatives to improve the energy efficiency of our own operations and reduce emissions. The Bank renewed its Environmental and Energy Policy in 2018 reinforcing its commitment with promoting the purchase of energy efficient products and services designed to improve and optimise energy use, supporting initiatives that are geared towards preventing, mitigating, adapting or responding to climate change and integrating environmental criteria into its products and service offering, among others. As an estimation of how much this area is impacted, CaixaBank invested in 2018 over 13.1 Million EUR in energy efficiency projects (domotics, LED instalment, etc.) achieving a reduction of almost 5% of our energy consumption from 2017 to 2018, which represented a cost reduction of around 734,000 EUR. |
| Capital expenditures / capital allocation | Impacted | Some climate-related risks have already impacted in this area (medium magnitude), such as Risk 1, associated to the potential increased operational costs due to tax increases on electricity and fuels (related to price of HVAC, transportation, etc.). This has implied an increase in our capital expenses to buy e.g manufactured capital such as more efficient computers to reduce electricity consumption and thus reduce this risk. As an estimation of the magnitude of these capital expenses, the purchase of almost 30.000 smart PC required an investment of 7.5 M EUR. |
| Acquisitions and divestments | Not yet impacted | Caixabank has not identified that climate change has impacted this financial aspect in a significant way yet. However, it is predicted that it will increasingly impact more, especially regarding the reduction of stake in carbon intensive companies. In fact, The Board of Directors of CaixaBank has agreed to sell its 9.36% shareholding in Repsol. |
| Access to capital | Not yet impacted | It has been identified that climate related R&O might have an impact on this area in the future (medium impact). Specifically, Opp 3, related to the increased investors demanding for green bonds (a growth forecast up to 150 billion dollars in 2017 and 60 billion in 2020, according to the Climate Bonds Initiative), which would generate more access to capital when CaixaBank acts as a bond issuer, and increased revenues when it acts as a bond underwriter. We predict this area will be impacted in the future, as a result of the increased investors demanding for green bonds. |
| Assets | Not yet impacted | The identified Risk 3 could impact this area (medium magnitude) in the future. One of the main subsidiaries potentially impacted by Climate change is CaixaBank Asset Management. Investment Managers are hired by clients to invest assets on their behalf. The Group has the 100% subsidiary CaixaBank's Asset Management Company, which has signed the UNPRI and is also adhered to the Climate Action 100+ initiative led by UNPRI, to drive the clean energy transition and help achieve the goals of the 2015 Paris Agreement (COP21). CaixaBank Asset Management has a highly diversified portfolio and tracks reference indexes which includes large companies in different sectors. Physical risks are expected to have an impact in the medium and long term and in this sense, extreme weather events could be relevant for customers with assets near to the sea for example. With the view to comply with the recommendations of the Task Force on Climate-related Financial Disclosures (TFCD), CaixaBank has identified its portfolio exposure to carbon-intensive sectors, representing 0.94% of its total assets. In addition, CaixaBank is currently working to identify its portfolio exposure to green sectors. |
| Liabilities | Impacted for some suppliers, facilities, or product lines | One of the most relevant issues related to Climate change identified into the CaixaBank's strategy considering its activity are related to customer demand and supplier's management. The Risk Global Management area, Project Finance, Corporate and Institutional Banking and AgroBank (commercial area specifically dedicated to the agribusiness sector) are the most exposed areas related to companies financing, especially to the high energy consumers, energy and utilities and infrastructure and agricultural sectors. CaixaBank has identified that Risk 2 has affected this area (medium magnitude): policy changes regarding environmental regulations can affect our customers and their solvency/ability to pay credits. CaixaBank has integrated this risk into the business strategy and planning when evaluating its value chain by implementing robust prevention measures in the model for admitting CaixaBank Group risk, considering its procedure manual and requiring certain documentation as part of the due diligence process. Therefore, risks related to exposure to litigation are implicit in the risks admission criteria. Energy and food sectors are highly regulated, so that environmental compliance is a mandatory criteria to operate. The Group has specialized teams for both energy and food sectors (which are highly regulated) that identify and evaluate the associated risks in the process of risk acceptance as a pre-stage to finance any operation. These teams control that each of the new energy, utilities, agrarian or livestock projects that are funded through CaixaBank loans comply with the environmental regulations. In addition, new regulations that affect the sector are monitored. For projects that need an investment higher than 7 EUR million CaixaBank Group follows the Equator Principles and therefore it is mandatory to define and adopt actions to reduce the magnitude and likelihood of this risk in a continuous and preventive manner. Throughout 2018, 9 projects were financed within the scope of the Equator principles, with a global investment exceeding €10,719 million, and the participation of CaixaBank, with over €696 million. |
| Other | Please select | |

C3. Business Strategy

C3.1

(C3.1) Are climate-related issues integrated into your business strategy?

Yes

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform your business strategy?

Yes, qualitative

C3.1c

(C3.1c) Explain how climate-related issues are integrated into your business objectives and strategy.

i. Caixabank's CSR Master Plan, approved by the Board of Directors, complies with ESG criteria and includes 5 lines of action and 15 main programs. One line is focused on the Environment, specifically in collaborating in the fight against climate change through climate risk management, the progressive integration of environmental criteria in the portfolio and the reduction of the carbon footprint / improvement of environmental efficiency. Two programs have been defined with specific actions for the management of climate risk in financing and investment, the incorporation of environmental criteria in products and services and in the incorporation of energy efficiency measures and emissions reduction (LEDs, air conditioners, paperless, gradual reconversion of the car fleet to hybrid / electric).

CaixaBank includes risks and opportunities of Climate Change (CC) in its business strategy through:

1. Becoming carbon neutral in 2018 by the offset of its emissions while continuing to improve energy efficiency (KPI).
2. Incorporation of CC R&O into the risk assessment criteria of projects.
3. Incorporation of CC aspects into the Group's internal operations.
4. Increasing sustainable commercial offer for Individual Banking.
5. Training on CC and energy efficiency
6. Customer awareness on CC and energy efficiency.

Other decisions taken and actions carried out by CaixaBank as a result of the influence of climate-related issues:

-In 2018 we outlined an Environmental Strategy with 3 main action lines: Boost the "Green" business, Manage Climate Risk and Minimisation of the environmental impact. The Strategy works systematically to help achieve a transition towards a low-carbon economy by reducing the direct impact of our operations and by financing and investing in sustainable projects.

-Development of the new Environmental Plan (2019-2021), after the 2016-2018 Plan, which focuses on combating climate change and includes the goal of continuing being Carbon Neutral, as achieved in 2018 after Caixabank offset all of its 2017 emissions (scope 1, 2 and 3).

-We have subscribed to the United Nations Environment Programme Finance Initiative (UNEP FI) to address the challenges of sustainable development and public awareness and to accelerate the transition to a more sustainable economy. In this sense, a

Sustainable Finance Committee was created..

-Renewal of the Bank's Environmental and Energy Policy in 2018.

-Development in 2017 of a strategic report on R&O arising from climate change considering the recommendations published by the TCFD. In this sense, CaixaBank gave support to the TCFD's publication publicly.

-Committing to have all its subsidiaries apply an environmental and energy policy and setting the ground requirements they must (at least) address.

-Financing projects aimed at fostering the use of renewable energies. In 2018, we set aside EUR 645 million to fund 12 projects, which has been translated into 5,216 MW of installed power. Since 2011, CaixaBank has funded renewable energy projects with a total installed power of over 23,700 MW. CaixaBank's portfolio exposure to the field of energy makes up 37% of its project financing. Of these, 81% are renewable energy projects.

-Participation in the process as joint bookrunner in the placement of 2 green bonds for investment in sustainable assets, with a total amount of EUR 1,300 million.

-In 2018, CaixaBank signed an agreement with the European Investment Bank (EIB) consisting of a line of credit amounting to EUR 30 million to fund investments in SMEs, individuals, and the public sector to combat climate change.

-Offering of ecoLoans and, through MicroBank, provision of personal ecoMicrocredits to customers to encourage sustainable investments that improve the efficiency of resources or reduce the environmental impact.

-Calculation and report of the corporate carbon footprint according to the ISO 14064 (externally verified).

-Participation in the Voluntary Agreements Program of the Government of Catalonia and in the Carbon Footprint Registry of the MAGRAMA (the environmental Ministry of the Spanish Government).

ii. CaixaBank's business is linked to emissions reductions target as well as energy reduction target. Our new Environmental Plan (2019-2021) prioritises maintaining CaixaBank's status as a Carbon Neutral company, by reaffirming its commitment to obtaining 100% of its power consumption in 2019 from renewable sources, which is linked to the scope 1+2 emission reduction targets Abs1 and Abs2 of the CDP section C4 (Abs1: reduce 29% of scope 1+2 emissions from 2009 to 2025 and Abs2: reduce scope 1+2 emissions by 50% from 2009 to 2040). This target is part

of the RE100 initiative (regarding scope 2 emissions), a global corporate leadership initiative bringing together influential businesses committed to 100% renewable electricity.

In addition, our Environmental Plan prioritises complying with environmental certifications, and placing special emphasis on extending its environmental commitment throughout the value chain by promoting its Environmental Plan for Procurement and Contracts. Another goal included in the Plan is the optimization of use of resources in our offices, such as paper, which is linked to the emission reduction target Abs3 of the same section C4, as well as other goals like optimization of plastic resources.

iii. Influenced by the potential climate-related risks identified, mainly the ones associated with policy and regulations, such as the risk of increased operational costs due to tax increases on electricity and fuels, one of the most substantial business decisions made during the reporting year have been the release of the Environmental Strategy (CSR Master Plan), with three main action lines (see section i) for details) and the development and release of the Statement on Climate Change, which reaffirms our commitment and contribution to work towards a low-carbon economy by decreasing the direct impact of our operations and financing and investing in sustainable projects.

C3.1d

(C3.1d) Provide details of your organization's use of climate-related scenario analysis.

| Climate-related scenarios | Details |
|---|---|
| IEA 450 | <p>According to TCFD recommendations, CaixaBank chose WEO450ppm Scenario because it takes into account the objective approved in the Paris Agreement of limiting the temperature increase to less than 2°C (with a likelihood of 50%). Inputs used in the scenario analysis were our facilities in Spain (Central services and regional network), including 30,961 employees and 1,066,843 m2 of total surface. Some of the assumptions used were the following: POLICY AND DEMAND: After 2020, a CO2 price is adopted in OECD countries Fossil fuel subsidies removed by 2035. CO2 prices in most OECD markets reach \$140/ton in 2040 EMERGING TECHNOLOGIES In 2050, urban rooftop solar PV is assumed to account for around 47% of global electricity generated by solar PV and 9% of the electricity consumed in cities Advanced biofuels and EVs reduce oil consumption by 13.8 mboe per day in 2040 80 GW of CCS equipped Oil & Gas capacity to be operating by 2025. Between 2030 and 2040, 580 GW of coal-fired power generation equipped with CCS. Fuel mix in 2040: biofuels consisting of 17% of world transport demand. ENERGY MIX Variable renewables increase of global electricity generation to more than 20% by 2040 Global nuclear capacity more than doubles to 862 GW in 2040 CO2 EMISSIONS Energy-related CO2 emissions peak at 33Gt before 2020, then fall back to 25.4Gt in 2030 and 19.3Gt in 2040 Analytical methods used were qualitative: Each Scenario parameters have been associated to the identified R&O with medium or higher impact (see questions 2.3a&2.4a). Thus, when possible future scenarios are incorporated into the analysis, likelihood of the R&O will change, being able to migrate from “unlikely” risks to “very likely” risks. Taking into account the actual Risk Management the Group is developing regarding R&O, the R&O’s management strategy resilience was assessed for this scenario The time horizon considered for the analysis was the horizons in which we assess our R&O, according to the timeframe in which they are expected to occur, which in the case of CaixaBank are: short term (1-3 yr), medium term (3-6yr) and Long term (>6yr). Considering TCFD recommendations CaixaBank renewed its procedure for identifying R&O at both company and asset level in which the most representative areas&subsidiaries contributed. Thus, these are the areas in Spain that have been considered as part of the scenario analysis: Corporate areas: ERM, Risk management and control such as Risk Follow-up and Credit Risk, as well as the CSR Subsidiaries: CaixaBank Asset Management, VidaCaixa, Building Center regarding the Real Estate business. CaixaBank Facilities Management as the subsidiary responsible for the maintenance of the buildings and infrastructure of the CaixaBank Group Business areas: mainly related with Global Risk Management, such as Project Finance (Energy and Infrastructure) and commercial areas specifically dedicated to Tourism and Agribusiness sector (AgroBank) Investees: SegurCaixa Adeslas (through VidaCaixa which owns the 49.9% of SegurCaixa Adeslas) as an investee focused on insurance business Regarding the results from this scenario analysis on the transition risks, CaixaBank might be affected by the risk Substitution of existing products and services with lower emissions options. This risk was not considered as relevant by CaixaBank because it was determined to be “more unlikely than likely” during the prioritization study and therefore CaixaBank’s strategy regarding this risk might be affected by this scenario and it should be improved in order to minimize the potential financial impacts associated. In this sense, these results have informed the business strategy as the Group is now identifying and quantifying whether the loan given to CaixaBank’s customers is to buy a lower emissions vehicle (eg electric, hybrid) or to buy a more emitting vehicle (eg that uses petrol or diesel as a fuel). CaixaBank is also working on quantifying CO2 savings of their products compared to more emitting ones</p> |
| Other, please specify (EU Winter Package) | <p>This is a more-local transition to a low carbon economy scenario that CaixaBank created based on the “Winter Package”, a group of measures presented by the European Commission in November 2016 and that will rule in Spain in the medium term. This package of measures pretend to keep the EU competitive as the clean energy transition changes global energy markets: Inputs used in the scenario analysis were our facilities in Spain (Central services and regional network), including 30,961 employees and 1,066,843 m2 of total surface. Some of the assumptions used were the following: ENERGY EFFICIENCY: Energy-saving obligations set out in the Energy Efficiency Directive, whereby EU energy suppliers and distributors must save 1.5% of energy per year Increased rate of buildings renovation in order to decarbonize the real estate park by the middle of the century ECO PRODUCTS The ecodesign work plan sets out the Commission’s priorities for the next 3 years, including a review of product-specific measures to adapt to technological developments RENEWABLE ENERGY TECHNOLOGIES Spanish Commitment towards achieving the target of at least 27% of renewables in the EU in 2030 Growth in the use of renewable energy in heating and cooling ELECTRICITY MARKET Adaptation of market rules to facilitate decentralized connection at the distribution level Analytical methods used were qualitative: Each Scenario parameters have been associated to the identified R&O with medium or higher impact (see questions 2.3a&2.4a). Thus, when possible future scenarios are incorporated into the analysis, likelihood of the R&O will change, being able to migrate from “unlikely” risks to “very likely” risks. Taking into account the actual Risk Management the Group is developing regarding R&O, the R&O’s management strategy resilience was assessed for this scenario The time horizon considered for the analysis was the horizons in which we assess our R&O, according to the timeframe in which they are expected to occur, which in the case of CaixaBank are: short term (1-3 yr), medium term (3-6yr) and Long term (>6yr). Considering TCFD recommendations CaixaBank renewed its procedure for identifying R&O at both company and asset level in which the most representative areas&subsidiaries contributed. Thus, these are the areas in Spain that have been considered as part of the scenario analysis: Corporate areas: Risk management and control such as Risk Follow-up and Credit Risk, as well as the CSR Subsidiaries: CaixaBank Asset Management, VidaCaixa, Building Center regarding the Real Estate business. CaixaBank Facilities Management as the subsidiary responsible for the maintenance of the buildings and infrastructure of the CaixaBank Group Business areas: mainly related with Global Risk Management, such as Project Finance (Energy and Infrastructure) and commercial areas specifically dedicated to Tourism and Agribusiness sector (AgroBank) Investees: SegurCaixa Adeslas (through VidaCaixa which owns the 49.9% of SegurCaixa Adeslas) as an investee focused on insurance business Regarding the results from this scenario analysis on the transition risks, CaixaBank might be affected by the risk Substitution of existing products and services with lower emissions options. This risk was not considered as relevant by CaixaBank because it was determined to be “more unlikely than likely” during the prioritization study and therefore CaixaBank’s strategy regarding this risk might be affected by this scenario and it should be improved in order to minimize the potential financial impacts associated. In this sense, these results have informed the business strategy as the Group is now identifying and quantifying whether the loan given to CaixaBank’s customers is to buy a lower emissions vehicle (eg electric, hybrid) or to buy a more emitting vehicle (eg that uses petrol or diesel as a fuel). CaixaBank is also working on quantifying CO2 savings of their products compared to more emitting ones</p> |

| Climate-related scenarios | Details |
|---------------------------|--|
| RCP 8.5 | <p>CaixaBank Group chose the most unfavourable physical scenario given by the Spanish Weather Agency (AEMET) to complete the analysis (RCP8.5). Out of the three RCP possible scenarios from AEMET, this one takes into account the highest level of GHG emissions in Spain. It presents 2 national maps in order to show changes in temperature and precipitation patterns from 2081 to 2100. Inputs used in the scenario analysis were our facilities in Spain (Central services and regional network), including 30.961 employees and 1.066.843 m2 of total surface. The assumptions used were the parameters of this scenario, which are given by the two national maps reported: -Increase in the maximum annual temperature in Spain. It shows the inland Spain will be the most affected region, with up to 8°C more of the average annual maximum temperature projected for the year 2100. Regarding the coastal areas, they could experience up to 5°C of temperature increase. -Percentage increase or percentage decrease of annual precipitation in Spain. It can be observed how in Southern Andalucía precipitation could be reduced up to 50%, and similar decreases are also expected in Murcia and south Valencia. On the other hand, there are projected increased in precipitation of up to 50% in the north of Catalonia and South of Aragon. Analytical methods used were qualitative: Each Scenario parameters have been associated to the identified R&O with medium or higher impact (see questions 2.3a&2.4a). Thus, when possible future scenarios are incorporated into the analysis, likelihood of the R&O will change, being able to migrate from “unlikely” risks to “very likely” risks. Taking into account the actual Risk Management the Group is developing regarding R&O, the R&O's management strategy resilience was assessed for this scenario. The time horizon considered for the analysis was the horizons in which we assess our R&O, according to the timeframe in which they are expected to occur, which in the case of CaixaBank are: short term (1-3 yr), medium term (3-6yr) and Long term (>6yr). Considering TCFD recommendations, CaixaBank renewed its procedure for identifying R&O at both company and asset level in which the most representative areas & subsidiaries contributed. Thus, these are the areas in Spain that have been considered as part of the scenario analysis: - Corporate areas: Risk management and control such as Risk Follow-up and Credit Risk, as well as the CSR. - Subsidiaries: CaixaBank Asset Management, VidaCaixa, Building Center regarding the Real Estate business. CaixaBank Facilities Management as the subsidiary responsible for the maintenance of the buildings and infrastructure of the CaixaBank Group. - Business areas: mainly related with Global Risk Management, such as Project Finance (Energy and Infrastructure) and commercial areas specifically dedicated to Tourism and Agribusiness sector (AgroBank). - Investees: SegurCaixa Adeslas (through VidaCaixa which owns the 49,9% of SegurCaixa Adeslas) as an investee focused on insurance business. Regarding the results from this scenario analysis on the physical risks (see relevant question C2.3a), as the risks Changes in precipitation patterns and extreme variability in weather pattern are considered as relevant by CaixaBank Group and as the Group has a robust risk management process in place that decreases their net impact, it is concluded that CaixaBank is ready for this possible future scenario. Regarding the results on opportunities with medium and higher impact for CaixaBank Group (see question C2.4a), considered in this scenario, CaixaBank's strategy regarding them is already taking into account their possible advantages at present. That means SegurCaixa is becoming ready to this possible future scenario and its possible associated opportunities, such as revenues increasing from offering more specific and adapted insurance solutions. It would impact in the performance of SegurCaixa rebounding in the Group's performance.</p> |

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 2

Scope

Scope 1 +2 (market-based)

% emissions in Scope

100

Targeted % reduction from base year

50

Base year

2009

Start year

2010

Base year emissions covered by target (metric tons CO2e)

72533

Target year

2040

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

% of target achieved

100

Target status

Underway

Please explain

Last year we replaced the previous target, which only covered scope 2 emissions, by this long term target, covering both scope 1+2 emissions. The target covers the 100% of Caixabank's scope 1+2 emissions and aims at hiring 100% of the new energy contracts with renewable energy. This target is related to Caixabank's policy of having 100% of new energy contracts hired with renewable energy, which in reality means that over 99% of Caixabank's energy is hired with green energy. The nature of the business, which includes the opening and closure of several offices a year (inheriting old electrical contracts) accounts for the <1% left out of the target. In 2018, for example, 99,38% of the electricity consumption came from renewable sources. This target is part of the RE100 initiative (regarding scope 2 emissions). It aims at reducing at least 50% of the emissions in scope1+ 2 from 2009 by hiring all new contracts with renewable energy, as well as by implementing scope 1 emission reduction activities. This target meets the 2.1% year-on-year emission reduction between base year and target year. Even though the target of hiring 100% of the new energy contracts with renewable energy is included in Caixabank's Environmental Plan, which has a timeframe of 2016-2018, Caixabank's goal is to maintain this target beyond 2018 once it has been achieved and commits to keep hiring 100% of the new energy contracts with renewable energy until 2040. This is a long-term target (2040) and Caixabank has already succeeded in hiring 100% of its new energy contracts with renewable contracts, which means having over 99% of its electricity produced by renewable energy.

Target reference number

Abs 1

Scope

Scope 1 +2 (market-based)

% emissions in Scope

100

Targeted % reduction from base year

29

Base year

2009

Start year

2010

Base year emissions covered by target (metric tons CO2e)

72533

Target year

2025

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

% of target achieved

100

Target status

Underway

Please explain

This mid-term target covers the 100% of Caixabank's scope 1+2 emissions and aims at reducing 29% of these emissions through hiring 100% of the new energy contracts with renewable energy. This target is related to Caixabank's policy of having 100% of new energy contracts hired with renewable energy, which in reality means that over 99% of Caixabank's energy is hired with green energy. The nature of the business, which includes the opening and closure of several offices a year (inheriting old electrical contracts) accounts for the <1% left out of the target. In 2018, for example, 99.38% of the electricity consumption came from

renewable sources. Thus, the target aims at reducing at least 29% of the emissions in scope 1+ 2 from 2009 by hiring all new contracts with renewable energy. This target meets the 2.1% year-on-year emission reduction between base year and target year. Even though the target of hiring 100% of the new energy contracts with renewable energy is included in Caixabank's Environmental Plan, which has a timeframe of 2016-2018, Caixabank's goal is to maintain this target beyond 2018 once it has been achieved and commit to keep hiring 100% of the new energy contracts with renewable energy until 2025, and further (see target Abs2). This is a mid-term target (2025) and Caixabank has already succeeded in hiring 100% of its new energy contracts with renewable contracts, which means having over 99% of its electricity produced by renewable energy

Target reference number

Abs 3

Scope

Scope 3: Purchased goods & services

% emissions in Scope

83

Targeted % reduction from base year

15

Base year

2016

Start year

2016

Base year emissions covered by target (metric tons CO2e)

8313

Target year

2020

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

% of target achieved

100

Target status

Underway

Please explain

This target covers more than 75% of this scope 3 category, whose aim is to reduce paper consumption, specifically regarding paper for own use and paper sent to clients. This reduction will be achieved through several reduction initiatives. This is not a Science based target since Caixabank is a financial institution and this program is not yet able to assess this kind of targets, not even unofficially. However, when criteria for SBT in the financial sector is set, Caixabank will consider the feasibility to set them. This target has been achieved as these emissions have been reduced by a 41% from 2016 to 2018. Note: Base year emissions have been recalculated due to a change in the emission factor of paper. Thus, base year emissions are 8,313 tones and not 8,303 tones as reported last year.

C4.2

(C4.2) Provide details of other key climate-related targets not already reported in question C4.1/a/b.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

| | Number of initiatives | Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *) |
|---------------------------|-----------------------|--|
| Under investigation | | |
| To be implemented* | 4 | 99 |
| Implementation commenced* | 1 | 77 |
| Implemented* | 9 | 4427 |
| Not to be implemented | | |

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative type

Process emissions reductions

Description of initiative

New equipment

Estimated annual CO2e savings (metric tonnes CO2e)

77

Scope

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

21614

Investment required (unit currency – as specified in C0.4)

4816000

Payback period

>25 years

Estimated lifetime of the initiative

6-10 years

Comment

Distribution in 2018 of 4,816 Smart PC (Energy star), which save up to 25% of energy consumption.

Initiative type

Energy efficiency: Processes

Description of initiative

Refrigeration

Estimated annual CO2e savings (metric tonnes CO2e)

1070

Scope

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

493722

Investment required (unit currency – as specified in C0.4)

6289605

Payback period

11-15 years

Estimated lifetime of the initiative

11-15 years

Comment

Replacement of 369 high-energy consumption air conditioning units with more efficient units in the branch network (BN)

Initiative type

Energy efficiency: Building services

Description of initiative

Lighting

Estimated annual CO2e savings (metric tonnes CO2e)

470

Scope

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

207726

Investment required (unit currency – as specified in C0.4)

2005750

Payback period

4 - 10 years

Estimated lifetime of the initiative

6-10 years

Comment

This voluntary activity is directed to reduce Caixabank's scope 2 emissions through electricity consumption reduction from lightning. The main actions carried out by Caixabank in 2018 include: (1) Caixabank carried out a total renovation of 10 building's floors at the Barcelona corporate centres (SSCC), which among others included a change of the conventional lightning to LED lights. In total, around 129 MWh were saved in 2018 (2) Replacement of fluorescent lighting at 935 branches with LED lighting, where around 1075 MWh were saved. The investment figure represents the investment for 2018, however, some projects have a bigger budget that is split in several years.

Initiative type

Energy efficiency: Building services

Description of initiative

Building controls

Estimated annual CO2e savings (metric tonnes CO2e)

39

Scope

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

10954

Investment required (unit currency – as specified in C0.4)

12000

Payback period

1-3 years

Estimated lifetime of the initiative

6-10 years

Comment

During the total renovation of 10 building's floors at the Barcelona corporate centres (SSCC), Caixabank also carried out improvements of the sectorisation and remote control of consumption as well as the system for monitoring the building's energy consumption

Initiative type

Process emissions reductions

Description of initiative

Behavioral change

Estimated annual CO2e savings (metric tonnes CO2e)

1338

Scope

Scope 3

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

660592

Investment required (unit currency – as specified in C0.4)

0

Payback period

<1 year

Estimated lifetime of the initiative

<1 year

Comment

Aligned with Target Abs 3, this voluntary activity aims at reducing scope 3 emissions by decreasing the emissions generated from paper consumption. The programmatic activity is developed transversally in our offices and central services and is based on the digitalization of services, documents and signatures in order to avoid printing needs for inner purposes and raising awareness among clients as to minimize their need for printing. This has led to a 6,25% reduction of paper use in central services and a 22,46% reduction in paper use in offices compared to 2017. The estimated annual CO2 savings reported from reduction of paper consumption include: Reduction in A4 consumption, Reduction of deliveries to customers, Envelop free deposit and option Do not print receipt. The savings were calculated assuming all Kgs saved were A4 papers and assuming an average price for a 500 sheets pack. Besides the reduction of paper, this digitalization project had other objectives, and that is why it is not possible to differentiate the investment required for the paper objective from the other ones.

Initiative type

Process emissions reductions

Description of initiative

Behavioral change

Estimated annual CO2e savings (metric tonnes CO2e)

0.02

Scope

Scope 3

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

878

Investment required (unit currency – as specified in C0.4)

3000

Payback period

1-3 years

Estimated lifetime of the initiative

6-10 years

Comment

A specific environmental awareness campaign was carried out to the employees in order to reduce the plastic waste generated and increase the reuse of plastic cups and use of ceramic and glass cups.

Initiative type

Process emissions reductions

Description of initiative

Behavioral change

Estimated annual CO2e savings (metric tonnes CO2e)

7

Scope

Scope 3

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

49800

Investment required (unit currency – as specified in C0.4)

0

Payback period

<1 year

Estimated lifetime of the initiative

6-10 years

Comment

This initiative aimed at reducing the production of toner waste at central services. A 25% reduction (498 units) was achieved in 2018 compared to 2017.

Initiative type

Energy efficiency: Processes

Description of initiative

Refrigeration

Estimated annual CO2e savings (metric tonnes CO2e)

4

Scope

Scope 3

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

34217

Investment required (unit currency – as specified in C0.4)

2200000

Payback period

>25 years

Estimated lifetime of the initiative

6-10 years

Comment

Cooling towers were one of the places with the highest water consumption at the Barcelona corporate centre, so the current

evaporative cooling towers were substituted with adiabatic cooling towers, which consume less water and minimise the risk of legionnaires' disease. The substitution was completed in 2018, leading to a saving in water consumption of 22.9% with respect to 2017 and of 19.8% with respect to 2016.

Initiative type

Energy efficiency: Processes

Description of initiative

Cooling technology

Estimated annual CO2e savings (metric tonnes CO2e)

1491

Scope

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

0

Payback period

No payback

Estimated lifetime of the initiative

11-15 years

Comment

Around 50% of our refrigerant gas emissions were reduced mainly due to 2 initiatives: (i) the replacement of 369 high-energy consumption air conditioning units with more efficient units in the branch network (BN) (ii) Installment of a single power switch in the offices of higher consumption, connected to the alarm system, so that once the alarm is connected, the acclimatization equipments disconnect. This allows for a reduction of emissions as a result of the decrease in the use of these equipments. The investment required and the anual monetary savings here are considered 0 as they have already been accounted in 2 of the above described initiatives.

Initiative type

Process emissions reductions

Description of initiative

New equipment

Estimated annual CO2e savings (metric tonnes CO2e)

8

Scope

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

2608

Investment required (unit currency – as specified in C0.4)

0

Payback period

No payback

Estimated lifetime of the initiative

11-15 years

Comment

In 2018, the emissions linked to the renting car fleet at the Corporative Center in Barcelona have decreased by 14%, which represents 8 tons of CO2 emission savings. This is due to a reduction in the km done by the vehicles of the renting fleet. The

reduction is associated to the awareness carried out through CaixaBank's Portal Comunica-t, which is a communication tool through instant messaging, audio and video-conferences, virtual meetings, sharing of documents, etc. thorough which environmental awareness messages are sent to employees to reduce the impact caused by trips and to provide a response to the Corporate Displacement Plan associated with the Barcelona corporate centre.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

| Method | Comment |
|---|---|
| Dedicated budget for energy efficiency | CaixaBank has a budget dedicated to the Environmental Management System which contemplates energy efficiency actions that are implemented in CaixaBank and its subsidiaries and branches. |
| Dedicated budget for other emissions reduction activities | All investments in energy efficiency and GHG emissions mitigation are included in the Cost Maintenance and Infrastructure management budget. Moreover, CaixaBank has a dedicated budget to the Environmental Management System which contemplates some emission reduction activities such as: offset of event's GHG emissions (Clean CO2 tool), sustainable mobility policy promoting the use of train instead of plane for business travel, among others. |
| Employee engagement | The Environmental Management System of CaixaBank includes a detailed program for behavioural changes and employee engagement by internal awareness initiatives that want to foster energy efficiency, waste reduction, paper consumption reduction and to encourage environmental best practices. Various initiatives are rolled out to raise awareness among employees and society, such as the creation and maintenance of an environmental area within the CSR section of the intranet for CaixaBank's employees, CaixaBank's blog, and the corporate website, where the environmental declaration, the carbon footprint among other related documents are published. In addition, throughout 2018, employee engagement was reinforced with activities for increasing the environmental awareness, such sending emails, messages over the Intranet, publications in internal magazines, etc. A specific web page has been updated for the environment, which includes different information, from company policy and certifications to environmental training. In order to achieve the involvement of employees to conserve the environment, CaixaBank has a Good Environmental Practices Manual, which details simple measures that may be adopted in the workplace to minimise the environmental and climatic impact associated with the use of resources (energy, office material, etc.) and waste production. In 2018, the environmental content of the welcoming training for new employees was reviewed, and specialised employees were trained in environmental management, project finance for renewable energy and recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in the area of climate change. Besides, CaixaBank carries out training and awareness campaigns for employees in order to raise awareness of good practices. For example, through the "automatic booking" travel tool, that informs employees regarding the associated CO2 emissions to journeys. |

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Group of products

Description of product/Group of products

Caixabank has a number of green credits and funds especially designed to invest in or provide loans for projects that mitigate climate change or have an ethical core behind it: (i) the Ethical Fund, (ii) the EcoFund and (ii) the Green account. The most relevant segments where the bank has this kind of products are: Corporate&Wholesale and Retail Banking

Are these low-carbon product(s) or do they enable avoided emissions?

Low-carbon product

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify (Environmental criteria applied in them)

Projects financed by the Eco funds or loaned by Ecocredits have a strict environmental criteria applied, that includes low-carbon elements.

% revenue from low carbon product(s) in the reporting year

33

Comment

In 2018, the ecoFund (which invests only in environmentally friendly assets and stocks) had a volume of 13.7 M EUR, while the MicroBank Ethical Fund achieved a volume of 63.8 M EUR. In 2018, 276 Green accounts were opened (which collaborate with WWF and sustainable development). Other products such as the ecomicrocredits are offered by Caixabank to finance e.g. vehicles that are more environmentally friendly as well as home improvements to raise energy efficiency, among others. A total of 451 operations were carried out that corresponded to 6.70 Million EUR granted. To calculate the % revenue from the previous column, in the numerator we have considered the low carbon financing products including: Corporate&Wholesale: -Green loans: 1,293,000,000 EUR Green loans. Retail Banking: -Green or ESG based credit lines 133,307,714 EUR. Volume granted during 2018 and lines of credit signed during the year (the credit lines compute by total amount, not by the provision). The products included are: eco-financing credit lines, climate and green action lines with the EIB and the production of woody products from AgroBank. Denominator: It considers the interest income 2018 included in the Individual Annual accounts 2018. See: https://www.caixabank.com/deployedfiles/caixabank/Estaticos/PDFs/Informacion_accionistas_inversores/Informacion_Economica_Financiera/MEMCAIXABANK_31122018WEB_ING.pdf

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

January 1 2009

Base year end

December 31 2009

Base year emissions (metric tons CO2e)

17206

Comment

As every year, in 2018 CaixaBank details and analyses the evolution of its carbon footprint following the ISO 14064-1. However, the base year (2009) and subsequent years (2010-2018) have been recalculated due to the significant changes in the organizational and operational boundaries, as established by ISO 14064-1:2012. This year, the recalculation of the carbon footprint for 2009-2018 does not include any organizational or operational changes but includes a change in the methodology corresponding to: a change in the emission factor of vehicle fuel (in 2018 in the Regional Network, the emission factor per km is specific per vehicle according); inclusion of paper institutional bags in the category 3.1 of scope 3; use of a more detailed and closer to reality Mobility study to calculate emissions of category 3.7 of scope 3. Therefore, CaixaBank recalculated and verified the base year and subsequent years, restating the historical data, to ensure that it reflects the current organizational and operational boundaries.

Scope 2 (location-based)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 2 (market-based)

Base year start

January 1 2009

Base year end

December 31 2009

Base year emissions (metric tons CO2e)

55327

Comment

As every year, in 2018 CaixaBank details and analyses the evolution of its carbon footprint following the ISO 14064-1. However, the base year (2009) and subsequent years (2010-2018) have been recalculated due to the significant changes in the organizational and operational boundaries, as established by ISO 14064-1:2012. This year, the recalculation of the carbon footprint for 2009-2018 does not include any organizational or operational changes but includes a change in the methodology corresponding to: a change in the emission factor of vehicle fuel (in 2018 in the Regional Network, the emission factor per km is specific per vehicle according); inclusion of paper institutional bags in the category 3.1 of scope 3; use of a more detailed and closer to reality Mobility study to calculate emissions of category 3.7 of scope 3. Therefore, CaixaBank recalculated and verified the base year and subsequent years, restating the historical data, to ensure that it reflects the current organizational and operational boundaries.

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.

ISO 14064-1

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
8576

Start date
January 1 2018

End date
December 31 2018

Comment

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)
13873

Start date
January 1 2017

End date
December 31 2017

Comment

Past year 2

Gross global Scope 1 emissions (metric tons CO2e)
14336

Start date
January 1 2016

End date
December 31 2016

Comment

Past year 3

Gross global Scope 1 emissions (metric tons CO2e)
19120

Start date
January 1 2015

End date
December 31 2015

Comment

C6.2

(C6.2) Describe your organization’s approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

403.42

Scope 2, market-based (if applicable)

402.52

Start date

January 1 2018

End date

December 31 2018

Comment

Past year 1

Scope 2, location-based

496.63

Scope 2, market-based (if applicable)

377

Start date

January 1 2017

End date

December 31 2017

Comment

Past year 2

Scope 2, location-based

614.12

Scope 2, market-based (if applicable)

616

Start date

January 1 2016

End date

December 31 2016

Comment

Past year 3

Scope 2, location-based

870.31

Scope 2, market-based (if applicable)

2279

Start date

January 1 2015

End date

December 31 2015

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

5911

Emissions calculation methodology

Purchased goods and services refer to: paper consumption (recycled, non-recycled, kraft and coated paper), chequebooks, toners (LaserJet and Inkjet), vinyl used for advertisement in the offices, credit cards and water purification and treatment. The calculation was done tracking the kg or units of each material purchased (this provided by the purchasing department) and assigning an emission factor according to relevant LCA for the material. This data is calculated under the ISO 14 064 Standard and the GHG Protocol Scope 3 guidance and verified along Scope 1 and 2 emissions. In 2018, a new category of emissions has been included, derived from the consumption of institutional bags. These paper bags are calculated from the number of units consumed and the emission factor was obtained from the Ecoinvent 3.4 database. from the SimaPro program. The consumption of bags is fully associated with the Territorial Network. This category has been incorporated new into the carbon footprint of 2018 and has been added to the previous carbon footprints (2009-2017). Note: Previously, the factors from the Paper Calculator of the Environmental Paper Network, were used, but in version 4.0 they have been greatly increased. Due to the importance of this source in the carbon footprint, it has been decided to modify the source of the factors to maintain comparable values.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

Capital goods

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

2091

Emissions calculation methodology

Capital goods refer to the IT equipment (computers, laptops, screens, keyboards) acquired by Caixabank over the years (This data is provided by the purchasing department). The methodology for the calculation assumes a life time of 5 years for the products acquired and assigns one fifth of the LCA carbon emission factor to the year of the purchase and the four subsequent ones. Every year new purchases are incorporated. This data is calculated under the ISO 14 064 Standard and the GHG Protocol Scope 3 guidance and verified along Scope 1 and 2 emissions.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Metric tonnes CO2e

78

Emissions calculation methodology

This category includes the emissions from the value chain of the fuels used in the electric power as well as the transport and electric distribution. The emission factors corresponding to the transport and electricity distribution as well as electricity generation come from DEFRA while the emission factor corresponding to the electrical mix in Spain comes from MAPAMA (Spanish Ministry of Agriculture and Fishing, Food and Environment).

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

Upstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

Caixabank provides an intangible service, which means very little upstream transportation of goods, which is why this source is considered as not relevant. Anyway, Caixabank is working to report these emissions in future years.

Waste generated in operations

Evaluation status

Relevant, calculated

Metric tonnes CO2e

112

Emissions calculation methodology

Waste generated in operations refers to all the waste produced by Caixabank's Central Services and the office network (This data is provided by the environmental management team). 23 different waste categories have been included. The calculation was done tracking the kg or units of each kind of waste (plastic, glass, mixed, etc) and assigning an emission factor according to its disposal treatment. This data is calculated under the ISO 14 064 Standard and the GHG Protocol Scope 3 guidance and verified along Scope 1 and 2 emissions.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO2e

9231

Emissions calculation methodology

The scope 3 source Business travel refers to: business travels by air, train, hired cars and vehicles owned by staff. Business travels are managed and controlled by El Corte Inglés company, which reports to CaixaBank the total km depending on the kind of transport and other factors (e.g. the distinction between short, medium and long flights) and the CO2 emissions. (i) The primary data from planes and train journeys come from the travel agency "El Corte Inglés", which reports the Km travelled and the type of transport according to the classifications stated above (short, medium and long flights, etc). The agency that hires the cars also reports to Caixabank the Km travelled. Since the nature of the business of these travel agencies is to control the transport products and services they offer, the Kms travelled by the employees of CaixaBank for business purposes are well accounted or easily established. Thus, the quality of the data used was very high. (ii) The assumption for the hired cars was that they were all medium size diesel cars. The methodology used to calculate the GHG emissions in CO2eq was a Life Cycle Analysis according to ISO14040 and PAS 2050 methodology. (iii) The assumption for the vehicles owned by staff was that they were all medium size diesel and petrol cars. By having only the km done without knowing the fuel, the diesel and gasoline distributions was performed.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

Employee commuting

Evaluation status

Relevant, calculated

Metric tonnes CO2e

932

Emissions calculation methodology

Based on a new mobility survey conducted in January 2019 to CaixaBank's employees, we estimated the emissions associated with employee commuting from their homes to their jobs. We only considered employees in CaixaBank headquarters, as they are group of employees with stable work conditions, and who regularly travel this distance to work. We have considered the journeys made by public transport and extrapolated the responses of the 570 employees that were surveyed to the total staff of CaixaBank Headquarters (which in 2018 was of 1.520 employees), for the 220 annual working days. This survey, compared to the previous ones, is more specific in terms of transport modes used and of combination of different transport modes, and thus the results allow to obtain emission results that are much closer to reality. This data is calculated under the ISO 14 064 Standard and the GHG Protocol Scope 3 guidance and verified along Scope 1 and 2 emissions.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

The emissions associated to the electrical and fuel consumption of the offices rented have already been included in the scope 1 and scope 2 emissions, as if they were owned offices. For this reason, the evaluation status of this source in scope 3 is "not relevant". Including these emissions in scope 3 would lead to double accountability, as the emissions are already included in scopes 1 and 2.

Downstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

The reason to consider this category of Scope 3 as not relevant is consequence to the intrinsic functioning of the activity of CaixaBank, as the entity is responsible for the costs associated with transportation and distribution in most cases.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

The financial and insurance services offered by CaixaBank do not imply that there is an associated physical product. Therefore, due to the nature of the business of CaixaBank, this category of scope 3 emissions is considered not relevant.

Use of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

The financial and insurance services offered by CaixaBank do not imply that there is an associated physical product. Therefore, due to the nature of the business of CaixaBank, this category of scope 3 emissions is considered not relevant. In the case that the paper used in the contracts of the financial and insurance services was considered a "sold product", the associated emissions are not accounted in this category, as they are already included in the category "purchased goods and services".

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

The financial and insurance services offered by CaixaBank do not imply that there is an associated physical product with end of life treatment emissions associated. Hence, due to the nature of the business of CaixaBank, this category of scope 3 emissions is considered not relevant.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

The carbon footprint of CaixaBank only includes the emissions of activities where it holds 100% of the operational control. Specifically, some of the spaces that the group might rent are not included in the carbon footprint, since CaixaBank does not have the control to influence on these emissions. Therefore, this source of scope 3 has been considered not relevant.

Franchises

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

CaixaBank does not have any franchises. Therefore, it is not relevant.

Investments

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

The emissions associated to companies where CaixaBank is not the shareholder with 100% of shares have not been included in the carbon footprint of the group. This is because the scope applied to the calculation of the carbon footprint is of operational control. In addition, there is currently no standard and clear methodology to calculate this category, specially for the financial sector. Thus, the Investments source of scope 3 has been considered not relevant.

Other (upstream)

Evaluation status

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

Other (downstream)

Evaluation status

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

C6.7

(C6.7) Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

1.47e-8

Metric numerator (Gross global combined Scope 1 and 2 emissions)

8978

Metric denominator

unit total revenue

Metric denominator: Unit total

612628000000

Scope 2 figure used

Market-based

% change from previous year

37

Direction of change

Decreased

Reason for change

This intensity figure has decreased by 37% compared to last year mainly as a result of the 37% reduction in our scope 1+2 emissions from 2017 to 2018. The overall decrease in scope 1+2 emissions is mainly due to the reduction of scope 1 emissions. Several emission reduction actions have taken place to reduce scope 1 emissions in Caixabank, such as the campaign to replace 369 high-energy consumption air conditioning units with more efficient units in the Regional Network (RN). Other scope 1 emission reduction actions include the environmental awareness messages associated to trips made by the renting fleet that were sent to employees thorough Caixabank's communication tool "Portal Comunica-t". This initiative allowed for a reduction of fuel consumption in Central Services (D621). The decrease of this intensity figure is also partly due to a 2% increase the total revenue of Caixabank from 2017 to 2018.

Intensity figure

0.289993498

Metric numerator (Gross global combined Scope 1 and 2 emissions)

8978

Metric denominator

full time equivalent (FTE) employee

Metric denominator: Unit total

30961

Scope 2 figure used

Market-based

% change from previous year

41

Direction of change

Decreased

Reason for change

This intensity figure has decreased by 41% compared to last year mainly as a result of the 37% reduction in our scope 1+2 emissions from 2017 to 2018. The overall decrease in scope 1+2 emissions is mainly due to the reduction of scope 1 emissions. Several emission reduction actions have taken place to reduce scope 1 emissions in Caixabank, such as the campaign to replace 369 high-energy consumption air conditioning units with more efficient units in the Regional Network (RN). Other scope 1 emission reduction actions include the environmental awareness messages associated to trips made by the renting fleet that were sent to employees thorough Caixabank's communication tool "Portal Comunica-t". This initiative allowed for a reduction of fuel consumption in Central Services (D621). The decrease of this intensity figure is also partly due to a 6% increase of the FTE from 2017 to 2018. The restated intensity figure for 2017 is: 0,489370313 (due to a slight modification of the FTE value of 2017).

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

| Greenhouse gas | Scope 1 emissions (metric tons of CO2e) | GWP Reference |
|----------------|---|--|
| CO2 | 1454 | IPCC Fourth Assessment Report (AR4 - 100 year) |
| Please select | | Please select |
| HFCs | 7122 | IPCC Fourth Assessment Report (AR4 - 100 year) |

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

| Country/Region | Scope 1 emissions (metric tons CO2e) |
|----------------|--------------------------------------|
| Spain | 8576 |

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

By activity

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

| Business division | Scope 1 emissions (metric ton CO2e) |
|-------------------------|-------------------------------------|
| Central Services (D621) | 357.26 |
| Regional Network (RN) | 8218.7 |

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

| Activity | Scope 1 emissions (metric tons CO2e) |
|----------------------|--------------------------------------|
| Gasoline consumption | 24 |
| Gasoil A consumption | 1308 |
| Gasoil C consumption | 123 |
| Refrigerant gases | 7122 |

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

| Country/Region | Scope 2, location-based (metric tons CO2e) | Scope 2, market-based (metric tons CO2e) | Purchased and consumed electricity, heat, steam or cooling (MWh) | Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh) |
|----------------|--|--|--|--|
| Spain | 403.42 | 402.52 | 158701 | 157717 |

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

| Business division | Scope 2, location-based emissions (metric tons CO2e) | Scope 2, market-based emissions (metric tons CO2e) |
|-------------------------|--|--|
| Central Services (D621) | 0 | 0 |
| Regional Network (RN) | 403.42 | 402.52 |

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year.

| | Change in emissions (metric tons CO2e) | Direction of change | Emissions value (percentage) | Please explain calculation |
|---|--|---------------------|------------------------------|--|
| Change in renewable energy consumption | 7982 | Decreased | 56.01 | Caixabank consumed 157.717.322 kwh of renewable electricity whereas in 2016 the renewable electricity consumption was 166.212.983 kwh (this 2017 figure has been recalculated so it may differ from the value reported last year). Despite having consumed less renewable energy in absolute numbers, which is due to the reduction in the overall electricity consumption, the emission factor (mix) increased by a 16% from 2017 to 2018, which means that in 2018 Caixabank avoided the release of more emissions as a result of renewable energy consumption, compared to 2017 (specifically, 67.818 tonnes of CO2 were avoided in 2018 whereas 59.837 tonnes of CO2 were avoided in 2017). This results in a change of emissions from 2017 to 2018 due to renewable energy consumption of -7.982 tonnes of CO2, which represent an emission value percentage of -56,01%. This percentage has been calculated following the CDP methodology for this question, as follows: $-7.982 \text{ tonnes of CO}_2 / 14.249,97 \text{ tonnes of CO}_2 \text{ (scope 1+2 emissions in 2017)} * 100 = -56,01$. Also, and as highlighted last year, Caixabank consumed more renewable energy in 2018 relative to the total electricity consumption, compared to 2017. In the reporting year 2018, 99,38% of Caixabank's electricity consumption was from renewable sources whereas in 2017 it was of 99,31%. This results in an increase in the renewable energy consumption relative to the overall electricity emissions between 2017 and 2018. We want to underline that as the percentage of renewable electricity consumption is so high (almost at its maximum) and as Caixabank is implementing several energy reduction projects, renewable electricity consumption will inevitably decrease in absolute numbers. |
| Other emissions reduction activities | 4504 | Decreased | 31.6 | As a result of the several scope 1+2 emission reduction activities, such as implementation of more efficient LED lightning in our corporate buildings as well as branch network offices, replacement of 369 high-energy consumption air conditioning units with more efficient units in the Regional Network (RN), reduction of electricity consumption by substituting computers by more efficient ones, etc. (see question C4.3b for more information of these activities), Caixabank achieved a reduction of 4504 tonnes of CO2 in the reporting year 2018. We have calculated the emissions value in percentatge following the CDP methodology for this question, as follows: $4504 \text{ tonnes of CO}_2 / 14.249,97 \text{ tonnes of CO}_2 \text{ (scope 1+2 emissions in 2017)} * 100 = 31,6\%$. |
| Divestment | | <Not Applicable> | | |
| Acquisitions | | <Not Applicable> | | |
| Mergers | | <Not Applicable> | | |
| Change in output | | <Not Applicable> | | |
| Change in methodology | | <Not Applicable> | | |
| Change in boundary | | <Not Applicable> | | |
| Change in physical operating conditions | | <Not Applicable> | | |
| Unidentified | | <Not Applicable> | | |
| Other | 182.45 | Increased | 1.28 | In 2018 there was an increase in the leakage of refrigerant gases from Central Services (D621) with respect to the year 2017 due to four breakdowns in chiller plants and recharge of refrigerant gas leaks from the VRV systems of the committee and the dining room (T1 PL23). This represented an increase in emissions of 182,45 tonnes of CO2, which represent an emission value percentage of |

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

| | Indicate whether your organization undertakes this energy-related activity |
|--|--|
| Consumption of fuel (excluding feedstocks) | Yes |
| Consumption of purchased or acquired electricity | Yes |
| Consumption of purchased or acquired heat | No |
| Consumption of purchased or acquired steam | No |
| Consumption of purchased or acquired cooling | No |
| Generation of electricity, heat, steam, or cooling | No |

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

| | Heating value | MWh from renewable sources | MWh from non-renewable sources | Total MWh |
|---|------------------|----------------------------|--------------------------------|------------------|
| Consumption of fuel (excluding feedstock) | Please select | 0 | 9057 | 9057 |
| Consumption of purchased or acquired electricity | <Not Applicable> | 157717322 | 983948 | 158701270 |
| Consumption of purchased or acquired heat | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Consumption of purchased or acquired steam | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Consumption of purchased or acquired cooling | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Consumption of self-generated non-fuel renewable energy | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Total energy consumption | <Not Applicable> | 157717322 | 993005 | 158710327 |

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

| | Indicate whether your organization undertakes this fuel application |
|---|---|
| Consumption of fuel for the generation of electricity | No |
| Consumption of fuel for the generation of heat | No |
| Consumption of fuel for the generation of steam | No |
| Consumption of fuel for the generation of cooling | No |
| Consumption of fuel for co-generation or tri-generation | No |

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)

Motor Gasoline

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

116

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Comment

Fuels (excluding feedstocks)

Diesel

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

8941

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Comment

C8.2d

(C8.2d) List the average emission factors of the fuels reported in C8.2c.

Diesel

Emission factor

2.13

Unit

kg CO2e per liter

Emission factor source

Following the CDP guidelines, this emission factor is the weighted average calculated according to the the amount of each constituent fuel consumed . Source of diesel C emission factor: Carbon footprint registration, compensation and carbon dioxide absorption projects. Ministry of Agriculture and Fisheries, Food and Environment of Spain and Spanish Office of Climate Change. Version 10 (April 2018) Source of diesel A emission factor: Practical guide for the calculation of greenhouse gas emissions (GHG). Catalan Office of Climate Change. Version March 2019.

Comment

Motor Gasoline

Emission factor

1.85

Unit

kg CO2e per liter

Emission factor source

Practical guide for the calculation of greenhouse gas emissions (GHG). Catalan Office of Climate Change. Version March 2019.

Comment

C8.2f

(C8.2f) Provide details on the electricity, heat, steam and/or cooling amounts that were accounted for at a low-carbon emission factor in the market-based Scope 2 figure reported in C6.3.

Basis for applying a low-carbon emission factor

Energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Wind

Hydropower

Region of consumption of low-carbon electricity, heat, steam or cooling

Europe

MWh consumed associated with low-carbon electricity, heat, steam or cooling

157717

Emission factor (in units of metric tons CO2e per MWh)

0

Comment

Caixabank bought 157.717 MWh of guarantees of origin to cover 100% of the electricity consumption at the Central Services and over 99,31% of the electricity consumption in the Branch Network in 2018. This is guaranteed by the supplier company Naturgy through a certificate from the CNE, Comisión Nacional de Energía (the national energy comission of Spain). The main types of renewable energy Naturgy use are hydraulic and wind energy.

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

| | Verification/assurance status |
|--|--|
| Scope 1 | Third-party verification or assurance process in place |
| Scope 2 (location-based or market-based) | Third-party verification or assurance process in place |
| Scope 3 | Third-party verification or assurance process in place |

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 and/or Scope 2 emissions and attach the relevant statements.

Scope

Scope 1

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Reasonable assurance

Attach the statement

Certificate_verification_carbon footprint_Caixabank_2018.pdf

Verification_2018_Caixabank.pdf

Page/ section reference

All document. Special section for CDP in page 9 to 12

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Reasonable assurance

Attach the statement

Certificate_verification_carbon footprint_Caixabank_2018.pdf

Verification_2018_Caixabank.pdf

Page/ section reference

All document. Special section for CDP in page 9 to 12

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope

Scope 3- all relevant categories

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Attach the statement

Certificate_verification_carbon footprint_Caixabank_2018.pdf

Verification_2018_Caixabank.pdf

Page/section reference

All document. Special section for CDP in page 9 to 12

Relevant standard

ISO14064-3

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

| Disclosure module verification relates to | Data verified | Verification standard | Please explain |
|---|--|-----------------------|--|
| C5. Emissions performance | Year on year change in emissions (Scope 1 and 2) | ISO14064-3 | This data is also verified annually with the given standard. |
| C5. Emissions performance | Year on year change in emissions (Scope 3) | ISO14064-3 | This data is also verified annually with the given standard. |
| C5. Emissions performance | Year on year emissions intensity figure | ISO14064-3 | This data is also verified annually with the given standard. |
| C5. Emissions performance | Change in Scope 1 emissions against a base year (not target related) | ISO14064-3 | This data is also verified annually with the given standard. |
| C5. Emissions performance | Change in Scope 2 emissions against a base year (not target related) | ISO14064-3 | This data is also verified annually with the given standard. |
| C5. Emissions performance | Change in Scope 3 emissions against a base year (not target related) | ISO14064-3 | This data is also verified annually with the given standard. |
| C6. Emissions data | Year on year change in emissions (Scope 1 and 2) | ISO14064-3 | This data is also verified annually with the given standard. |
| C6. Emissions data | Year on year change in emissions (Scope 3) | ISO14064-3 | This data is also verified annually with the given standard. |
| C6. Emissions data | Year on year emissions intensity figure | ISO14064-3 | This data is also verified annually with the given standard. |
| C6. Emissions data | Change in Scope 1 emissions against a base year (not target related) | ISO14064-3 | This data is also verified annually with the given standard. |
| C6. Emissions data | Change in Scope 2 emissions against a base year (not target related) | ISO14064-3 | This data is also verified annually with the given standard. |
| C6. Emissions data | Change in Scope 3 emissions against a base year (not target related) | ISO14064-3 | This data is also verified annually with the given standard. |
| C7. Emissions breakdown | Year on year change in emissions (Scope 1 and 2) | ISO14064-3 | This data is also verified annually with the given standard. |
| C7. Emissions breakdown | Year on year change in emissions (Scope 3) | ISO14064-3 | This data is also verified annually with the given standard. |
| C7. Emissions breakdown | Year on year emissions intensity figure | ISO14064-3 | This data is also verified annually with the given standard. |
| C7. Emissions breakdown | Change in Scope 1 emissions against a base year (not target related) | ISO14064-3 | This data is also verified annually with the given standard. |
| C7. Emissions breakdown | Change in Scope 2 emissions against a base year (not target related) | ISO14064-3 | This data is also verified annually with the given standard. |
| C7. Emissions breakdown | Change in Scope 3 emissions against a base year (not target related) | ISO14064-3 | This data is also verified annually with the given standard. |

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

Yes

C11.2a

(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.

Credit origination or credit purchase

Credit purchase

Project type

Biomass energy

Project identification

AWMS GHG Mitigation Project, Sonora, Mexico. Generation of energy from biogas through the installation of an anaerobic digester in the pig farms of the northwest of the country to capture and combust the resulting biogas.

Verified to which standard

VCS (Verified Carbon Standard)

Number of credits (metric tonnes CO2e)

27284

Number of credits (metric tonnes CO2e): Risk adjusted volume

27284

Credits cancelled

Yes

Purpose, e.g. compliance

Voluntary Offsetting

Credit origination or credit purchase

Credit purchase

Project type

Forests

Both Credit purchase and Credit origination. The promoter of this project is CAIXABANK. There are currently 122 tones available for this project, which originally were 147 tones: This figure results from applying 20% to the absorption foreseen for the entire period of permanence (812 tones), discounting the part that will be destined to the guarantee bag and the absorptions already assigned. The 20% limitation is due to the fact that until the carbon sequestration produced by the project is proven and, therefore, there are absorptions with which to compensate, only a limited amount of "future" removals may be used in compensations, an amount that has been fixed in 20% of the total expected. On the other hand, 10% of these absorptions will be stored in the guarantee bag. This year Caixabank offset 25 tones of this project, as done last year, and will continue offsetting with it in the next years.

Project identification

Project Bosque Caixabank Montserrat. Plantation of Quercus ilex subsp. ballota, Pinus pinea, Prunus dulcis, Crataegus monogyna and Arbutus unedo and sowing of Pinus halepensis.

Verified to which standard

Other, please specify (Spanish Government (Ministerio de Agricultura, Pesca y Alimentación))

Number of credits (metric tonnes CO2e)

25

Number of credits (metric tonnes CO2e): Risk adjusted volume

25

Credits cancelled

Yes

Purpose, e.g. compliance

Voluntary Offsetting

Credit origination or credit purchase

Credit purchase

Project type

Forests

Both Credit purchase and Credit origination. The promoter of this project is CAIXABANK. There are currently 102 tones available for this project: This figure results from applying 20% to the absorption foreseen for the entire period of permanence (699 tones), discounting the part that will be destined to the guarantee bag and the absorptions already assigned. The 20% limitation is due to the fact that until the carbon sequestration produced by the project is proven and, therefore, there are absorptions with which to compensate, only a limited amount of "future" removals may be used in compensations, an amount that has been fixed in 20% of the total expected. On the other hand, 10% of these absorptions will be stored in the guarantee bag. This year Caixabank offset 25 tones of this project, and will continue offsetting with it in the next years.

Project identification

Project Bosque Caixabank Ejulve (Teruel): Plantation of Quercus ilex subsp. ballota, Quercus faginea, Sorbus domestica, Pinus sylvestris, Celtis australis, Prunus spinosa, Crataegus monogyna and Pinus nigra ssp salzmannii.

Verified to which standard

Other, please specify (Spanish Government (Ministerio de Agricultura, Pesca y Alimentación))

Number of credits (metric tonnes CO2e)

25

Number of credits (metric tonnes CO2e): Risk adjusted volume

25

Credits cancelled

Yes

Purpose, e.g. compliance

Voluntary Offsetting

C11.3

(C11.3) Does your organization use an internal price on carbon?

Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Objective for implementing an internal carbon price

Navigate GHG regulations
Change internal behavior
Drive energy efficiency
Drive low-carbon investment
Identify and seize low-carbon opportunities

GHG Scope

Scope 1
Scope 2

Application

The carbon price is applied across the entire company and is determined by the Environmental Department. We think that it is important that enterprises put a price on carbon, to help limit the increase in global mean temperature to two degrees Celsius above pre-industrial levels. In addition, we assume that, independently of the regulations, addressing climate change will be both a cost and an opportunity for us. Using a price on carbon allows us to determine our investments in greenhouse gas emissions reductions strategy, which consists in reducing emissions via the development of energy efficiency projects, raising environmental awareness, promoting good environmental practices and offsetting the emissions that we are not able to reduce.

Actual price(s) used (Currency /metric ton)

5

Variance of price(s) used

A single price is applied throughout the company and it can develop over time as a result of the market (as our price on carbon is partly set based on the average carbon credit price of the voluntary carbon market). In Q1 (January-March) 2018, the average carbon price of the voluntary market was of \$2.6 / tonne CO₂*, which was lower than previous years, where the average price was \$3 / tonne CO₂. Besides market prices, our internal carbon price is also determined on what part of our budget we are willing to use for reducing our environmental impact. In addition, we also considered the investment of the Montserrat and Teruel project (see question C11.2a) and the tones of CO₂ that can be offset through it. *Source of the carbon credit price in the voluntary carbon market: Voluntary Carbon Markets Insights: 2018 Outlook and First Quarter Trends

Type of internal carbon price

Shadow price
Offsets

Impact & implication

The rationale for employing a carbon price is that we think that it's important that enterprises put a price on carbon, to help limit the increase in global mean temperature to 2 degrees Celsius above pre-industrial levels. In addition, we assume that independently of the regulations, addressing climate change will be both a cost and an opportunity for us. Using a price on carbon allows us to determine our investments in GHG emissions reductions strategy, which consists in reducing emissions via the development of energy efficiency projects, raising environmental awareness, promoting good environmental practices and offsetting the emissions that we are not able to reduce. Examples of how carbon pricing affects strategic decision-making related to future investments: CaixaBank's policy focuses on reducing operational costs through executing emissions reduction activities that lead to a reduction in energy consumption and thus a decrease in emissions. These activities include the purchase of renewable electricity with Guarantee of Origin, energy efficiency activities such as replacement of lights and computers, etc. In addition, we use an internal price of carbon to promote the offsetting of those emissions that we are still not able to reduce. This enables us to have an annual budget for buying carbon credits of high quality emissions reduction projects, and as an incentive for following up with the planning and execution of carbon reduction initiatives. Our price on carbon is set at €5/tCO₂ based on the average carbon credit price of the voluntary carbon market, which in Q1 2018 was \$2.6/tCO₂* as well as on what part of our budget we are willing to use for reducing our environmental impact. In addition, we also considered the investment of the Montserrat and Teruel project (see C11.2a) and the tones of CO₂ that can be offset through it. A higher carbon pricing would lead to do an increase in investments on energy efficiency and emissions reductions activities, in order to invest in reducing emissions on the long term and to spend less money on offsetting emissions. A lower carbon pricing would lead to the execution of less emissions reduction activities, because offsetting emissions would be cheaper than investing in energy efficiency. *Source of the carbon credit price in the voluntary carbon market: Voluntary Carbon Markets Insights: 2018 Outlook and First Quarter Trends

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

- Yes, our suppliers
- Yes, our customers
- Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect climate change and carbon information at least annually from suppliers

% of suppliers by number

4.6

% total procurement spend (direct and indirect)

39.62

% Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

Caixabank has an online supplier management tool where all the information associated to suppliers is stored, including information about their environmental management systems certifications, among others. Caixabank annually collects information regarding many aspects of its suppliers, including environmental and climate change information. Among this information, Caixabank asks whether its suppliers have the ISO 14001, an important standard that helps promote good practice in environmental and energy management, and thus helps in the fight against climate change. In addition, Caixabank asks whether suppliers annually calculate their carbon footprint. Out of all suppliers (100%) to whom we asked whether they had this information, 4.6% of them answered whether they had implemented the ISO 14001, and a few less whether they calculated their carbon footprint. This 4.6% of suppliers with ISO 14001, however, represent the 39.62% of the total procurement spend in 2018.

Impact of engagement, including measures of success

The results of the information collection in 2018 are as follows: 330 suppliers (out of the 7,232) have implemented the ISO 14001. This 4.6% of suppliers with ISO 14001 represent the 39.62% of the total procurement spend in 2018. 18 suppliers answered whether they annually calculate their carbon footprint. In addition, last year Caixabank actively approached two suppliers that represented the 28.8% of the total procurement spend in 2017 order to engage them in implementing the ISO14004. This engagement resulted to be very successful as both suppliers have now already implemented the ISO 14001. We expect to increase the response rate of our suppliers in order to gain a better understanding of their commitment and action to fight climate change, and thus be able to continue engaging actively with those who do not currently take action.

Comment

Type of engagement

Compliance & onboarding

Details of engagement

Included climate change in supplier selection / management mechanism

% of suppliers by number

100

% total procurement spend (direct and indirect)

100

% Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

CaixaBank, its subsidiaries and the remaining Group Caixabank companies include an obligatory acceptance clause in their contracts, in which 100% of our suppliers have to agree to acknowledge and comply with the Principles of the United Nations

Global Compact, the social, ethical and environmental standards of the Group and the bank's environmental policy. There are three principles directly involved with the environment and hence, a strategy on the issues related to Climate Change: they include the support of the businesses to a precautionary approach to environmental challenges; undertake initiatives to promote greater environmental responsibility and to encourage the development and diffusion of environmentally friendly technologies. In addition, CaixaBank's Purchase Area has been restructured so that those purchases and hiring that have a higher potential environmental impact are identified. Therefore, green purchasing is being implemented more and more in this area, which centralises all purchases and hiring. The Environmental Plan for Procurement and Contracts, included within our new Environmental Plan 2019-2021, aims to identify the categories with the greatest potential environmental impact (such as logistics, construction, cleaning, CaixaBank's cafeteria catering, among many others.), for which it sets out environmental criteria which must include pre-contractual specifications. At present, we are revising and updating the ethical, social and environmental standards for our suppliers. The areas of procurement and contracts with an environmental risk are managed through an integrated Quality and Environmental management system, certified by the standards ISO 9001 and ISO 14001.

Impact of engagement, including measures of success

As a result of the requirements mentioned in the previous column, 100% of CaixaBank's suppliers have accepted the Principles of the United Nations Global Compact, the social, ethical and environmental standards of the Group and the bank's environmental policy, which as mentioned include climate change goals and principles. In addition, as a result of the implementation of green purchasing at our Purchase Area and the Environmental Plan for Procurement and Contracts, all purchases and hiring within the identified categories with the greatest potential environmental impact consider environmental criteria specifications. As a specific example, CaixaBank's cafeteria catering company will: have a certified environmental management system for the kitchen / catering service (EMAS, ISO 14001, etc.); report periodically the amount of waste generated as a result of its activity; the main products of the menus will be seasonal (products that are grown outdoors or that are fished every season in the region); will use products produced with higher standards of animal or fish welfare in a sustainable way, among others.

Comment

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement

Education/information sharing

Details of engagement

Share information about your products and relevant certification schemes (i.e. Energy STAR)

% of customers by number

100

% Scope 3 emissions as reported in C6.5

Please explain the rationale for selecting this group of customers and scope of engagement

We provide all our customers the possibility of contracting "green banking services" like Ecomicrocredits (Personal loans for investments to improve resource consumption efficiency or reduce environmental impacts) or Ecofinancing for the agrarian sector (to fund sustainable development farming projects related with energy efficiency, efficient use of water, organic farming, renewable energies, waste management and the development of rural areas). Our customers can operate through CaixaBank's corporate website, CaixaBank's blog, where they can find information on green products, get to know the environmental management of CaixaBank, the environmental initiatives of "la Caixa" and operate virtually to avoid travelling to the office saving emissions from travel and from paper consumption. In addition, we have started a new line of financing through the European Investment Bank to promote loans for the acquisition of efficient and environmentally sustainable goods.

Impact of engagement, including measures of success

CaixaBank monitors the number of transactions, clients and benefits obtained annually for providing green banking services to individual customers to finance green products and that allows the Group to measure the success of its green products and services and the information shared with the customers about these. In 2018, the ecoFund (which invests only in environmentally friendly assets and stocks) had a volume of 13,7, which represents an increase from 2017, where the ecoFund had a volume of 11,1 M EUR., while the MicroBank Ethical Fund achieved a volume of 63,8 M EUR, also representing an increase from the previous year (59,1 M in 2017). On the other hand, 276 Green accounts were opened in 2018 (which collaborate with WWF and sustainable development), representing a decrease compared to 2017 where 540 Green accounts were opened. Other products such as the ecomicrocredits are offered by CaixaBank to finance e.g. vehicles that are more environmentally friendly as well as home improvements to raise energy efficiency, among others. A total of 451 operations were carried out that corresponded to 6,70 Million EUR granted. CaixaBank has implemented a new project called "responsible data project" that consists in identifying the green products that are sold more accurately, as the current system does not allow in most cases to differentiate the green product as

they are integrated with the total business volume

Type of engagement

Collaboration & innovation

Details of engagement

Run a campaign to encourage innovation to reduce climate change impacts

% of customers by number

57

% Scope 3 emissions as reported in C6.5

Please explain the rationale for selecting this group of customers and scope of engagement

In 2018, CaixaBank launched a Financial Culture Plan encompassing a wide range of projects and initiatives aimed at boosting the scope and reach of digital channels. The digital channel is particularly strong for customer relations and is transforming into a channel for generating sales. Over the last few years, there has been a strong growth in digital channels, especially the mobile channel. The change in customer behaviour is noticeable in the fact that transactional operations (e.g., cheques, deposits, cash withdrawals, transfers, etc.) are moving to digital channels. At CaixaBank, more than 57% of our customers are digital customers, i.e. private customers, aged 20 and 74 years, who have been active in the last 12 months, divided by the total. Digital customers are selected for this campaign not only for the potential increase in sales but also because the increased use of our mobile phones' APP by our digital customers allows to achieve a reduction in the overall emissions, mainly as a result of: reduction of emissions from customers' trips to the branch offices to carry out transactions, and reduction of emissions from paper use, as all of these transactions are carried out through the app. Customising our service, enhancing the user experience, the increased importance of financial advice, the increased interaction through mobile channels and other innovations, are all trends that are changing customer behaviour and thus allowing to achieve these emission reductions.

Impact of engagement, including measures of success

CaixaBank's new 2019-2021 Strategic Plan establishes a series of leverage factors to respond to changing customer behaviour and one of the strategic objectives is to strengthen the remote digital customer service model. In this sense, CaixaBank has developed several digital customer interaction models: (i) InTouch - Remote service with a personal manager: This service has been created for our digital customers who do not have much time to visit a branch. It is based on a remote service model with the advantage of having a personal manager. (ii) Imagina Bank - CaixaBank's "Mobile-only" service: With innovative features, such as our chatbot called Gina, this service is constantly evolving. It currently 1.2 million customers with an average age of 23 years. (iii) My finances - A more convenient way to manage your personal finances. A smart tool to help customers manage their personal finances. Among other features, it lets you view all your accounts at CaixaBank and other banks. As a result of this engagement, the number of digital clients has been steadily increasing, from 55% in 2017 to 57% (approx. 6 million) in 2018. In 2018, around 15% of customers who have taken out a mortgage carried out an online simulation in advance. Since 2014, digital sales have multiplied by 4.5 and 20% of customers have applied for a service through CaixaBankNow. As mentioned, these remote services offered by CaixaBank allow for a reduction of emissions mainly as a result of: reduction of emissions from customers' trips to the branch offices to carry out transactions, and reduction of emissions from paper use, as all of these transactions are carried out through the app.

Type of engagement

Collaboration & innovation

Details of engagement

Run a campaign to encourage innovation to reduce climate change impacts

% of customers by number

20

% Scope 3 emissions as reported in C6.5

Please explain the rationale for selecting this group of customers and scope of engagement

Agrobank is CaixaBank's business line specialized in the agricultural sector as well as in the agro-food industry. Since its launching in 2014 it has rapidly expanded, achieving over 1,000 branches in towns with under 10,000 inhabitants. Agrobank's turnover has increased +32% from 2014, achieving 357811 customers in 2018. In 2018, Agrobank run a campaign to encourage innovation to reduce climate change impacts specially in the agro-food industry. Specifically, this engagement consisted in 2 activities: 1) Online publication of Agrobank Magazine and edition of 65,000 copies (4 a year) for our customers. This magazine shares information about current news of the national and international agri-food sector, includes interviews with relevant people on the sector, such as the Minister of Agriculture in Spain, and shares experiences about entities, organizations, individual farmers or scientific studies that have successfully implemented mitigation and adaptation actions and good practices in the agriculture sector. 2) During 2018 and in previous years, Agrobank, run a series of meetings and seminars for its customers, where professionals and experts in the agri-food sector met and shared technological advances and examples of good practices in the field, specially related to climate change mitigation and adaptation. Many of these good practices are related to climate change, how to adapt to it and how to mitigate it. Around 6000 customers attended these seminars as well as the smaller and more local technical meetings organised by

Agrobank during 2018. Overall, considering the 65.000 copies of the Agrobank magazine and the 6000 participants of the seminars, we estimate this engagement gathered around the 20% of Agrobank's customers in 2018. If we consider the 13,7 M customers in Caixabank Spain, the percentage of customers is around 0,5%.

Impact of engagement, including measures of success

Thanks to these seminars organised by Agrobank as well as the magazines published, our customers are well informed about the new technologies, studies and successful experiences in the field that can help them combat climate change and at the same time avoid impacts in their production, among other benefits. In addition, they have the opportunity to share and learn from others about best practices, as well as less successful ones. Agrobank will keep distributing this magazine as well as organising these seminars to encourage collaboration and innovation among its customers in the field in order to tackle climate change and adapt to it.

C12.1c

(C12.1c) Give details of your climate-related engagement strategy with other partners in the value chain.

In 2014 the Board of Directors of CaixaBank approved a plan that aims at achieving that all CaixaBank's subsidiaries approve and implement an environmental policy with minimum standards and work towards improving their environmental management system, including actions to reduce climate change emissions. CaixaBank's main subsidiaries impacted by climate change are CaixaBank Facilities Management, VidaCaixa, Building Center and CaixaBank Asset Management and MicroBank. The Group commits to have all its subsidiaries apply an environmental policy and set the ground requirements they must (as a minimum) address. Currently, 14 subsidiaries have an environmental policy approved.

VidaCaixa is signatory of the UNPRI and is working to consider Environmental, Social and Governance (ESG) aspects such as the strategy of mitigation and adaptation to the climate change of the companies in the decision-making process. In fact, the company is looking for specific ESG metrics to combine financial and not financial aspects. CaixaBank Asset Management is also signatory of the UNPRI. In addition, both entities adhered to the Climate Action 100+ initiative led by UNPRI, to drive the clean energy transition and help achieve the goals of the 2015 Paris Agreement (COP21).

CaixaBank disseminates this commitment to its different stakeholders through different channels such as the Annual Report or CDP Questionnaire, both mainly addressed to investors, or its Environmental Statement, addressed to the general public. In addition, in 2018 CaixaBank worked on its Statement on Climate Change (released on February 2019), as we believe it is essential to speed up the transition to a low carbon economy, promoting sustainable and socially-inclusive development. To achieve this, both the public and private sector, and society in general need to take urgent action by developing long term climate strategies in line with the Paris Agreement targets (COP21) and the United Nations Sustainable Development Goals.

Furthermore, since February 2015, CaixaBank has adopted the Green Bond Principles as an underwriter. During these two years, the bank has placed as a Joint Bookrunner in the placement of green bonds for investment in sustainable assets. For instance, in 2018 has participated in the placement of two green bonds –Iberdrola and EDP- by an amount of 1,300 M€.

Raising awareness has been identified as an important matter in a long term during the shareholders and investors decision making process. The bank should reinforce its climate change performance perception in order to keep its current shareholders as well as to attract new, more environmentally aware ones. Maintaining the inclusion of CaixaBank in the world's leading sustainability indexes such as Dow Jones Sustainability Index, FTSE4Good, CDP and Advanced Sustainable Performance Indices, brings forward an opportunity for investors and shareholders to gain a better understanding of a company's management quality and future performance potential. This, in turn, enables investors to identify investment opportunities that can generate long-term shareholder value.

In addition, throughout 2018, employee engagement was reinforced with activities for increasing the environmental awareness, such sending emails, messages over the Intranet, publications in internal magazines, etc. A specific web page has been updated for the environment, which includes different information, from company policy and certifications to environmental training. In order to achieve the involvement of employees to conserve the environment, CaixaBank has a Good Environmental Practices Manual, which details simple measures that may be adopted in the workplace to minimise the environmental and climatic impact associated with the use of resources (energy, office material, etc.) and waste production.

In 2018, the environmental content of the welcoming training for new employees was reviewed, and specialised employees were trained in environmental management, project finance for renewable energy and recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in the area of climate change. Besides, CaixaBank carries out training and awareness campaigns for employees in order to raise awareness of good practices. For example, through the "automatic booking" travel tool, that informs employees regarding the associated CO2 emissions to journeys.

CaixaBank endeavours to foster sustainability, not only among its employees, but also in society as a whole. The environmental theme is also present in CaixaBank's Corporate Social Responsibility Desk, responding to the commitment to foster, promote and extend new knowledge on business social responsibility.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Trade associations

Other

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

World Savings Banks Institute (WSBI)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

Founded in 1924, WSBI focuses on issues of global importance affecting the banking industry. It supports the aims of the G20 in achieving sustainable, inclusive and balanced growth and job creation around the world, whether in industrialised or less developed countries. WSBI represents the interests of its members towards international policy makers and standard setters on the main regulatory and other issues that shape international retail banking policy. They also promote a vision for a pluralistic banking model and an enabling environment for financial inclusion. WSBI has the additional role of bringing together members to exchange knowledge through meetings at international and international level as well as technology platforms. WSBI-ESBG has been a signatory of the United Nations Global Compact since 2006, whose 10 Principles provide a complete description of the commitments to follow in the area of social and environmental responsibility. Based on this, WSBI-ESBG pays deep consideration to the new set of 17 measurable Sustainable Development Goals (SDGs), formally accepted by the UN General Assembly in 2015, and which range from ending world poverty to fighting climate change and further developments by 2030. WSBI-ESBG member banks recognise that the environmental challenge and climate change are some of the main collective hazards ever experienced worldwide. As part of their strong commitment to corporate social responsibility (CSR) and sustainable development, WSBI-ESBG and its members contribute to the mitigation of climate change and therefore they: -Acknowledge the risks and opportunities caused by environmental issues and try to adapt their business accordingly. -Work towards mitigating the impact of their business on the environment, both directly in terms of own operations and indirectly in terms of customers and suppliers. -Promote projects in energy efficiency, green transport and green energy, mainly via the loan business. -Promote products and services that respect social, environmental and sustainable development criteria.

How have you influenced, or are you attempting to influence their position?

Caixabank aligns with WSBI's climate change vision and participates in working groups with them. This association, in turn, participates and influence policy makers in the development of policies in this sense.

Trade association

CECA

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

CECA is a banking association committed to promoting, defending, and representing its associated companies' interests, giving them advice, and cementing their social mission. epresented in CECA are savings banks, banking foundations and credit institutions that can integrate, and maintain the functions and aims that it holds in accordance with the aforementioned regime, and others who are determining their statutes. The credit institutions associated with CECA are characterised by the so-called 3Rs, which identify all members of the WSBI (The World Savings and Retail Banking Institute): Retail: Focused on the financing of families and SMEs; Responsible: Identified with the Social Projects and Corporate Social Responsibility; Rooted - Rooted in the community: Bound and committed to the areas in which they act.

How have you influenced, or are you attempting to influence their position?

Caixabank aligns with CECA's climate change vision and participates in working groups with them. This association, in turn, participates and influence policy makers in the development of policies in this sense.

C12.3e

(C12.3e) Provide details of the other engagement activities that you undertake.

CaixaBank collaborates with the World Wildlife Fund (WWF), who takes action against CC via enhancing the reduction of carbon pollution and preparing for the consequences of global warming. WWF actively works to advance policies to fight CC, to engage with businesses to reduce carbon emissions and to help people and nature adapt to a changing climate. CaixaBank, through its specialized financial service MicroBank, collaborates with the WWF on funding environmental conservation, sustainable development and CC programs, through its own financial contributions and those of its customers.

CaixaBank participated with the Catalan regional government to develop the Environmental quality guarantee emblem for the branch network. The environmental criteria aims to minimize the branches' impact on the environment and encourage the ecological sensitivity of employees and users. In addition, in 2018 CaixaBank participated in the revision of the branch offices category and renewed again its commitment with the Environmental quality guarantee emblem for 2018 (and 2019). This means that now offices are certified for its energy efficiency, as well as other criteria such as water savings, waste management, mobility, among others, until 2020.

CaixaBank is partner of Foretica, whose position on CC is to help the enterprises to maximize a positive contribution from the enterprises to reach a sustainable future. CaixaBank supports this position, as we are working towards minimizing our environmental impact and to reduce GHG emissions.

Caixabank is a member of the Business cluster of climate change and actively participates in the position here developed, sharing experiences of climate change management.

CaixaBank is also a member of Fundación SERES and its position on climate change is consistent with ours.

Caixabank is also adhered to the Spanish Group of Green growth and actively participated in the decisions taken, sharing its insight on climate change R&O management in climate change and energy efficiency.

CaixaBank has an agreement with Ecovalia-CAEE, a nonprofit organization that promotes organic food production and responsible consumption. It has 13000 partners and it is the most important association of the ecological production in Spain and one of the biggest at European level.

Caixabank is adhered to RE100, which has validated Caixabank's policy of 100% renewable electricity hiring.

CaixaBank recently became a member of the United Nations Environment Programme Finance Initiative to address the challenges of sustainable development and public awareness and to accelerate the transition to a more sustainable economy. CaixaBank has joined the TCFD banking pilot phase II organized by UNEP FI.

Since 2012, CaixaBank holds the presidency of the Spanish Global Compact Network and supports the Global Compact in spreading its ten principles, based on human and labour rights, the environment and the fight against corruption.

Moreover, Caixabank actively engages in initiatives like CDP in order to strengthen its commitment to CC management and innovation. In addition, Caixabank participates in DJSI, MSCI, FTS4Good or ESG, scoring among the top companies in every Index.

In addition, Caixabank holds IESE's Business School (University of Navarra, Spain) Chair of Corporate Social Responsibility, which is committed to fostering, promoting and spreading new knowledge about corporate social responsibility (CSR). Among others, sustainability booklets are published to address the phenomenon of sustainability in the business field and to analyse the relationship between sustainability as well and corporate social responsibility.

"La Caixa" Foundation is a non-profit organization, which receives all its funding from CaixaBank and annually invests in research and excellence training, including environment and CC, and scientific programs. Part of the budget is used to finance the activities of the ClimaDat project, conducted by the Catalan Institute of Climate Sciences (IC3) research center. Within the ClimaDat project, a network of climate observation and research stations located in critical or particularly sensitive natural systems due to their emplacement, physiographic characteristics or peculiarity of their ecosystems is being established in Spain. The aim is to study regions with a high probability of severe damage due to changes in climate and offering free access of this data to researchers and the interested public in general

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

To ensure that all direct and indirect activities that influence climate change policy are consistent with the overall Climate Change strategy of CaixaBank, the group decides all the specific actions to get involved with policy-makers, trade associations, research organizations and other kinds of organizations through the Environment Committee. This committee ensures that the different business divisions have a common approach consistent and aligned with the strategy on climate change (CC). In fact, all the initiatives stated above have in common to contribute to the reduction of GHG emissions, to reduce the environmental impact of the activity of CaixaBank's and its value chain (customers, suppliers, etc.).

For example, due to the Environment Committee and its task of analysing and assessing the different initiatives of the group, the strategy of CaixaBank on CC aligns correctly with the direct engagement with the government of Catalonia stated above to create the standards and promote the Environmental Guarantee sign. This aligns with the specific actions of the group to achieve energy efficiency and the raising awareness campaigns. For instance, the promotion and implementation to be awarded with the Environmental Guarantee sign was assessed through this Committee.

The strategy of CaixaBank on CC aligns correctly with the funding of research organizations as well, through the funding of "La Caixa Foundation" which invests part of the budget in the ClimaDat research project. Funding this kind of research projects (indirectly, through financing "La Caixa" Foundation) is part of the CC strategy of CaixaBank, as a measure for obtaining more information on CC in order to manage the risks derived from CC that CaixaBank may face as a corporation.

The climate change strategy also aligns with the creation of services for customers that promote emissions reductions. One example of this is the Green Account that helps financing WWF activities.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports

Status

Complete

Attach the document

IDG_Group Management Report of Caixabank_2018.pdf

Page/Section reference

12-15 ; 51 ; 81-87

Content elements

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

Other, please specify (finance of green projects, environmental requirements for suppliers & others)

Comment

Publication

In voluntary communications

Status

Complete

Attach the document

Environmental_Declaration_2018.pdf

Page/Section reference

All document

Content elements

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

Other metrics

Other, please specify (emission reduction initiatives, finance of green projects & others)

Comment

Publication

In voluntary sustainability report

Status

Complete

Attach the document

ISE_SOCIO-ECONOMIC IMPACT REPORT_2018.pdf

Page/Section reference

36-43 52 54-55

Content elements

Strategy

Emissions figures

Emission targets

Other, please specify (emission reduction initiatives, finance of green projects & others)

Comment

C14. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

As every year, in 2018 CaixaBank details and analyzes the evolution of its carbon footprint following the ISO 14064-1. However, the base year (2009) and subsequent years (2010-2018) have been recalculated due to the changes in the organizational and operational boundaries, as established by ISO 14064-1:2012. This year, the recalculation of the carbon footprint for 2009-2018 does not include any organizational or operational changes but includes a change in the methodology corresponding to: a change in the emission factor of diesel and petrol vehicles in the Regional Network (own fleet) and the addition of emissions from the consumption of institutional paper bags in the Regional Network.

Therefore, CaixaBank recalculated and verified the base year and subsequent years, restating the historical data, to ensure that it reflects the current organizational and operational boundaries.

For this reason, figures reported here may differ from other reporting fillings where the information is required to consider different boundaries or approaches. The recalculation hereby disclosed has been verified according to ISO 14064-3.

For more information on Caixabank's Associations and work forums

https://www.caixabank.com/informacion-corporativa/asociaciones-y-foros_en.html

- RE100 Caixabank 2019.xlsx
- Clean CO2 Certificate_CaixaBank 2018.pdf
- Projecte Bosc Montserrat_2018.pdf
- Certificate_verification_carbon footprint_Caixabank_2018.pdf
- Verification_2018_Caixabank.pdf
- fitxes-Co2-SONORA-en.pdf
- Projecte Bosc Teruel_2018.pdf

C14.1

(C14.1) Provide details for the person that has signed off (approved) your CDP climate change response.

| | Job title | Corresponding job category |
|-------|------------------------------|----------------------------|
| Row 1 | Director of General Services | Director on board |

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

| | Public or Non-Public Submission | I am submitting to |
|-----------------------------|---------------------------------|------------------------|
| I am submitting my response | Public | Investors Customers |

Please confirm below

I have read and accept the applicable Terms