

Social Value PROJECT

2019 REPORT





Best Private Banking Operator
for Philanthropic Advice in 2015, 2016,
2017, 2018, 2019 and 2020



Juan Antonio Alcaraz

Chief Business Officer
of CaixaBank

When we launched Private Banking's Socially Responsible Investment Project in 2016, we did so more because of our Bank's traditional social commitment rather than in response to any striking need in this area.

It is true that the social trends and concerns that our clients had been telling us about were already pointing us in that direction, but the truth is that at that time no private banks in Spain had a department dedicated to providing advice on philanthropy, sustainable investment and impact investment.

However, in the three years or so since then, we have seen an exponential increase in demand from our clients, and a radical paradigm shift in the desire of society and economic agents to move towards a sustainable economy.

While there may still be some who believe it is just a passing fad, the truth is that the world's leading fund managers have already altered their investment policy and we are starting to see a broad consensus forming around the idea that sustainability should become the new standard for investing.

For our Bank, sustainability and social commitment have never been a fad, but from the beginning have been at the very core of our existence. Because of this, we will continue to strengthen our Socially Responsible Investment Project to continue offering our Private Banking clients the response they expect from us.

Kind regards

A stylized, handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end.





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VACCINES: PHILANTHROPY OR INVESTMENT?

Rafael Villasanjuan

VACCINES: PHILANTHROPY OR INVESTMENT?



Rafael Vilasanjuan

Policy & Global Development Director of ISGlobal

There is a tendency to confuse the words philanthropy and charity. Although both have in common the intention of improving the lives of vulnerable people, over time these two concepts end up moving in different directions.

Both of them express an aim to help others and begin with generosity, however, while charity is usually a gesture guided by emotion, aimed at alleviating an urgent need of a person or an extreme situation, philanthropy is more of a strategic exercise, designed to solve a long-term problem.

Therefore, although the two terms may lead to some confusion, in reality charity tends to solve an existing problem or suffering, while philanthropy seeks to address the causes of the problem; to create innovative models capable of changing opinions and providing different answers.

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When Bill Gates, one of the world's leading philanthropists, decided to allocate a large part of his fortune to improving the situation of millions of vulnerable people, his project began to resemble what he had achieved before at Microsoft.

The idea was simple: if he was going to allocate resources, and lots of them, to tackle a problem, he wanted to get results, analyse the impact and check how he could achieve the objectives set; focusing on the answers from different angles, including ideas that had never been thought of before. Revolution? No, philanthropy.

Unlike many other aid programs, he was willing to take risks, something he knew a lot about.

As in the strategy that led him to business success, he gambled on finding new solutions. That is the genesis of philanthropy: back innovation and aim to achieve a purpose that has an impact on people.

That was also the objective of the agenda set out by the United Nations in 2000 and that we know as the Millennium Development Goals.

Stuck, as we were, in aid and financing models heavily focused on a mere transfer of resources from the countries of the rich North to those of the South (with their much lower incomes and most of their populations in extreme poverty); the end of the second millennium brought with it the birth of 21st century philanthropy.

More resources to deal with global problems, especially related to health, education and hunger, affecting large swathes of the world's population previously excluded.

But it was not just a matter of resources; we had to provide new ways of working to obtain public goods and get them to those who needed them most.

This led to initiatives that would make it possible to provide treatment to millions of people who did not previously have access to it.

The AIDS epidemic posed the first ethical dilemma: How could it be that when a medicine was available for patients from western countries, those who contracted the disease in Africa did not have access to it? More than 90% of sufferers were in sub-Saharan Africa, but, despite knowing of their existence and there being a treatment available, they were condemned to die slowly, as if there was nothing that could save them from certain death. The price of the drug and the inability of their governments to acquire it were a problem, but not the only one.

To make it accessible required care protocols to be changed; health personnel to be trained to go where doctors were not able to; awareness to be raised among communities to mobilise the sick; logistics protocols to be changed and new solutions found to reach the most remote places. New organisations were created and money was invested not only in researching new drugs, but also in creating innovative distribution models. What seemed like a miracle was achieved. At the same time, something similar happened with childhood immunisation. It was here that "la Caixa" decided to invest and develop a similar innovative philanthropy model.

Childhood vaccination is today one of the main global development strategies.

Until they acquire their own immunity, children under the age of five are the most vulnerable group in the population and are the main fatalities from infectious diseases worldwide.

While they are sick, their families remain hostage and cannot work, because they have to take care of them.

They often move from poverty to destitution. However, many of the most lethal diseases are preventable.

Pneumonia remains the main cause of the death of children under five years of age, taking more than 800,000 lives annually (or 2,000 every day).

These figures are an obvious indicator of the inequalities that disproportionately affect children in low-income countries and especially in Africa, but also of the need to join forces and create alliances to tackle them.

Alongside the United Nations agenda, the Global Alliance for Vaccination and Immunisation (GAVI) was born. This innovative project formed by the world's leading players in the field of health and child protection, along with public and private finance providers, aimed to provide essential vaccines to the majority of the population, especially in low-income countries where they had not yet arrived.

In 2000, when GAVI was created, about 10 million children died before reaching their fifth birthday. In 2019 this number has been reduced by half. In just two decades, there has been a spectacular leap and, although many strategies and a great deal of investment have been necessary to achieve this improvement, the most effective of them has been enabling access to vaccines.

It has been calculated that there is a 16-fold return on every euro invested in vaccination, taking into account the savings in healthcare systems, productivity and lost taxes.

A study by John Hopkins University in Baltimore, measuring the return on investment in immunisation in 94 countries shows a total benefit of more than USD 500 billion.

After analysing priorities, and taking into account the social return that could be obtained, the impact on community development and the number of lives saved, in 2008, "la Caixa" Banking Foundation became GAVI's first private partner in Europe and launched the Business Alliance for Child Vaccination with the aim of giving Private Banking clients, employees of the CaixaBank Group and companies (as part of their corporate social responsibility programmes) the opportunity to join the fight against infant mortality.

With the Barcelona Institute for Global Health (ISGlobal) as a scientific and academic partner, during this time more than EUR 25 million has already been spent on the development and distribution of this vaccine, but also on building trust in millions of families and promoting a change of behaviour in communities little used to receiving innovative products to protect their children's health.

Putting the best of science and research within reach of the most vulnerable.

A revolution that has been possible thanks to an alliance with clients.

Clients who, having placed their trust in the Bank, have a philanthropy project available to them that is capable of transforming the lives of millions of children and their families.

It is not just another project, nor a mere transfer of resources between the rich North and the poor South. The project was conceived as a joint commitment by which the Bank matched the individual contributions of each Private Banking client and, in turn, the Bill and Melinda Gates Foundation doubled this again.

In the end, each euro originally donated is multiplied by four. With the support of ISGlobal healthcare experts, we worked on the idea of financing the most appropriate vaccine for the type of contributions received, and taking it to the countries where it is most needed and has the biggest impact.

GAVI not only ensures access to the vaccine, but also strengthens healthcare systems, finances community mobilisation to ensure that children attend vaccination campaigns and guarantees the necessary stock - buying it much lower than the usual market price, thanks to discounts negotiated with producers and bulk buying.

That is not all. As more vaccines are provided and increased economic benefits are seen in local communities, the governments of the programme's beneficiary countries are forced to increase the resources they themselves provide in order to sustainably maintain the level of immunisation.

It is the communities themselves, convinced of the benefits of immunisation, who demand greater involvement of their policy makers, and more investment, in healthcare systems.

This formula has already allowed 20, of the more than 80 countries that originally received support from GAVI, to finance all their vaccination programmes alone, without the need for external support. A circular investment, which can be measured in the number of lives saved.

In the year 2000, 1,750,000 children died from pneumonia alone. Two decades later the figure has dropped to 800,000, less than half.

Throughout these years, the Business Alliance for Child Vaccination - fruit of the efforts of the Bank and its clients - has proven itself to be one of the most effective strategies in the development of communities in low-income countries.

The results are there to be seen. And that is the difference with the philanthropy of the 21st century; it is composed of stable alliances that are capable of analysing problems and providing innovative solutions that have an impact.

Philanthropy, yes. But above all, a good investment to reduce inequality and create a more just, and at the same time safer, world for everyone.

The background of the entire page is a dense, abstract composition of numerous 3D rectangular blocks. These blocks are arranged in a way that creates a sense of depth and perspective, with some blocks appearing to recede into the distance while others are in the foreground. The color palette is diverse, featuring a wide range of hues including various shades of orange, red, yellow, green, blue, and purple. The blocks are of varying sizes and are oriented in different directions, contributing to a complex, textured visual effect.

02

WORKING TOGETHER
TO ENSURE
CULTURAL PROGRESS

Jean-Jacques Aillagon

WORKING TOGETHER TO ENSURE CULTURAL PROGRESS



Jean-Jacques Aillagon

Former French Minister of Culture (2002-2004)
Special Advisor to François Pinault

It is a source of pride for a former minister, to find that a law of which he is the author receives such a great deal of interest beyond the borders of his own country.

It gives you the feeling of having done something useful. I express that sentiment modestly, because although it is true that the law of 1 August 2003 regarding patronage, associations and foundations played a decisive role in the development of philanthropy in France, it is no less true that it was built upon the foundations of previous laws that it is my pleasure to mention.

These were the law of 23 July 1987, on the development of patronage, promoted by François Léotard, the then French Minister of Culture; followed by that of 4 July 1990, in relation to companies' foundations, introduced by Jack Lang; and, finally, the law of 4 January 2002, the so-called "museum law" that dealt with how companies could acquire "national treasures" for public collections, of which Catherine Tasca was the architect.

This is how public action is built, through both new and opportune initiatives, and a series of positive measures.

The law of 1 August 2003 was born from the will to promote the practice of patronage in our country and, at the same time, the commitment of citizens and businesses to causes of public interest.

Having managed public cultural organisations before becoming Minister of Culture in 2002, I was aware of the increasingly important role that individuals and companies could play in the operation of these structures and in the development of their projects.

For that reason, I decided to suggest my ideas to Jacques Chirac (who at that time was standing for re-election as President of France) and just a few months later they were embodied in the law of 1 August 2003.

This was accompanied by other measures that were taken at the same time to promote private initiatives in support of culture, such as the creation of the title of "Grand Patron" (Grand Mécène) of the Ministry of Culture, the provisions of the Finance Law that assigned part of the unclaimed inheritances to the Heritage Foundation (Fondation du Patrimoine), or the creation of measures aimed at facilitating the creation of foundations.

I want to clarify that, although the Minister of Culture was responsible for bringing that law before parliament, it was still a law on patronage from which all public interest causes could benefit.

So, when the social sector received 28% of the total budget in 2017, the cultural sector was assigned 25%, according to Admical's company sponsorship barometer, putting it in second place among patronage beneficiaries, followed by the education and health sectors.

The same barometer indicated that in 2017, the total amount of corporate patronage amounted to about EUR 2 billion.

It is necessary to establish that, for the government to which I belonged, the law of 1 August 2003, did not mean in any way that the state was shirking its duty in relation to any of these causes, but rather the opposite: it served to confirm that the whole of society was invited to participate alongside the state and regional governments.

It is true that citizens contribute to the public interest by paying taxes, but in addition to that contribution, they often selflessly support the development of multiple causes of eminent interest for society as a whole. In this way, many organisations benefit from the considerable number of hours of volunteer work that these women and men selflessly provide.

In fact, I am convinced that it is a duty of democratic and developed societies to support the practice of both volunteering and patronage.

Always ensuring of course, that these practices do not impede either the opportunity for everyone to obtain paid employment or the perennial commitment of the public authorities - of national and local governments - to support all the things that help society to progress.

These are the principles that govern the law of 1 August 2003. This guarantees the legitimacy of the commitment of companies to support all the public interest causes of their choice, even when they may appear to be outside their corporate purpose.

It also reflects the conviction that patronage is something useful for the community by establishing, for the benefit of individuals and businesses, a tax reduction plan based on the amount of donations each of them makes.

The 2003 plan has the advantage of being very simple. For this reason, it is an effective incentive.

Individuals can donate up to 20% of their income, obtaining a tax reduction of 66% on the amounts donated.

Companies can donate 0.5% of their turnover and benefit from a 60% tax reduction.

Recently, the law has increased the ability of small businesses to practice patronage, by establishing a EUR 10,000 franchise for all businesses, whatever their size. The 2020 finance law is expected to increase the franchise to EUR 20,000.

Contrary to what some have implied, the tax provisions contained in the law of 1 August 2003, do not constitute a "tax gift" to donors.

This is not the case. It is, on the contrary, a form of invitation to make an additional contribution to public interest causes; which is that part of the donation that is not covered by the tax reduction.

Therefore, the law of 1 August 2003, is a law of trust that recognises that citizens and businesses have sufficient discernment to make decisions that support actions that promote the development of society in many areas.

The trust placed in citizens' intelligence is the very foundation of democracy, since it recognises that every one of them plays an active part in the society in which they live.

Currently, over 5 million tax households and about 50,000 businesses of all sizes are patrons, and make use of the provisions of the 2003 law.

In 15 years, corporate sponsorship, individual philanthropy, the creation of foundations and endowment funds have experienced an unprecedented boom.



The amount of the donations declared has multiplied by four, the number of patron companies by twelve and we are seeing new forms of patronage being developed.

I am thinking, in particular here, of the so-called "popular" patronage that, for the most part, benefits local projects throughout France, but also the public subscriptions launched by local authorities, large national public institutions or foundations.

We all remember how on the night of 15 April, while fire ravaged the Notre-Dame cathedral - stirring deep-felt emotions throughout the world -, the French President, Emmanuel Macron, announced the launch of a national subscription scheme so that citizens as a whole could show their support for the huge amount of reconstruction work planned for the building.

Within just a few days, more than EUR 900 million in donations had been pledged. Participatory financing is also gaining ground, as the concept of social and environmental responsibility plays an increasingly stronger role in companies and the scope of the social and solidarity economy develops. Although it is not for me to make an assessment of the law of 1 August 2003, I can tell you, however, that it has already become a firm part of French society, because it is a simple law to understand and easy to use.

For that reason, I hope that the law with which my name is associated, is protected from any initiative that ultimately leads to complicating the mechanism of legislation that works.

This legislation could be improved in some aspects, but I would like it to be done with discernment, without succumbing to the mania of fiscal and legislative instability that destabilises France's social pact.

I think it is positive that Spain plans to adapt the French law on patronage and foundations for its own legislation.

I can only welcome it, while expressing the hope that one day the legislation of all European countries will conform to common objectives and standards in this field.



03

MAKING PROGRESS
WITH OUR CLIENTS AND
SOCIETY

Jordi Casajoana

MAKING PROGRESS WITH OUR CLIENTS AND SOCIETY



Jordi Casajoana

Private Banking Value Groups and Philanthropy
Department Manager

The start of the new year is a good time to make an assessment of all the major events of the last one.

In our case, we have to examine the performance of the third year of Private Banking's Socially Responsible Investment Project and, in addition, to do it in the context of the growing sensitivity of both our clients and society as a whole, towards social and environmental issues.

In this sense, we can say that 2019 has seen the full consolidation of our Project and that this consolidation has occurred in a year in which the concept of sustainability has occupied a clearly central role, both in the media and in society in general.

Not only was 2019 the year that the 25th United Nations Climate Change Conference (COP25) was held in Madrid, but it was also the year in which a high degree of consensus was established among economic agents in relation to the added value of sustainability and, therefore,

regarding the need to integrate it into all economic decisions.

One of the basic pillars of our Project, since the very moment of its launch, has been sustainable and impact investment, because solidarity and philanthropy can hardly coexist with an investment that generates negative externalities for society and/or the environment.

In the specific case of impact investment, this can also be considered a totally valid and highly efficient way to practice philanthropy, because it seeks to generate a positive impact on society and the environment without sacrificing financial return. From the point of view of responsible investment, 2019 has been a year of important milestones for us.

First, CaixaBank Asset Management has achieved the highest rating awarded by the United Nations to managers adhering to its Principles for Responsible Investment, putting it at the same rating level as VidaCaixa, which has had its A+ rating since last year.

Second, our continued efforts to increase the profile of socially responsible investment strategies saw the average balances that our clients have invested in SRI funds increase by 501% last year.

In the field of impact investment, we celebrated Spain joining the GSG (Global Steering Group for Impact Investment), which was confirmed in a ceremony held at the CaixaForum in Madrid last June.

Our Bank has strongly supported this initiative, that aims to boost impact investment and which has Juan Bernal, CEO of CaixaBank Asset Management, as Chair of the Spanish National Advisory Board.

Another significant milestone in impact investment, was the first-time marketing of a microfinance-focused venture capital vehicle; the first European Social Entrepreneurship Fund (ESEF) vehicle marketed in Europe by a private bank.

With respect to another of the main pillars of the Project, formed by philanthropy, CSR and charity, we have continued to advise, facilitate and recognise the great work that many of our clients undertake in this field.

There has been a clear growth in demand for our advisory services from clients that want us to help them create or improve their personal philanthropic project and, at the same time, we have increased the range of advice we offer to include the important area of philanthropy and patronage of the arts, alongside the existing social or environmental philanthropy projects.

This last point seems particularly important to us, because there has been a recurring demand from many of our Private Banking clients for us to advise and assist them with their involvement in the art world.

We have already had the opportunity to advise some of them over the past year, and this has helped us confirm this perception.

In addition to advising them on their own projects, we have continued to suggest verified causes to our clients, through which they can express their charitable support with a complete guarantee of transparency, good governance and measurement of the impact achieved.

Of course, we have continued to promote Private Banking's support for the Business Alliance for Child Vaccination and with the annual milk collection campaign for food banks, but we have also helped our clients to get involved with more local causes, though these are just as important for the communities involved and come with the same guarantees as before

The first charity events held in Barcelona and Madrid in support of Trinijove (combatting social and labour exclusion among young people) and of the Comedores con Alma de "la Caixa" (providing meals for those in need) have been prime examples of this.

They were a great success and raised a considerable amount of money, all of which has been passed on to the chosen causes.

Obviously, the merit of this charitable spirit belongs entirely to our clients and that is why it is so important for us to continue recognising their extraordinary work through the CaixaBank Private Banking Premios Solidarios (charity awards). The awards were held for the second time in 2019, and once again confirmed the large number of clients who promote charity projects.

There were a total of 68 nominations this year (more than double those in the first year) for the two categories of prizes: Best Philanthropy Project and Best Philanthropy Performance.

Finally, we have also continued with the work of dissemination and promotion of philanthropy through events held in various Spanish cities in which, together with leading specialists, we have tried to show our clients the many different aspects of philanthropy and corporate social responsibility.

In summary, Private Banking's Socially Responsible Investment Project has continued to grow and consolidate.

The growing demand for responsible financial solutions and philanthropic advice from our clients in particular, and from society in general, is here to stay and, therefore, we must continue to progress to ensure we have the best solutions to meet it.

We have continued to expand the range of services we offer our clients in the fields of philanthropy and responsible investment.

At the same time, our clients, and society as a whole, have been increasing their demand for solutions to these issues, which constitutes a clear incentive for us not to stop and to continue planning new options, new services and new vehicles.

Looking ahead to 2020, we plan to expand and diversify the charitable causes that we offer our clients, so that they can select those closest to their particular concerns and sensitivities.

We will also continue to increase the range of socially responsible investment vehicles and make new options in impact investment vehicles available to our clients.

Finally, we hope to launch the first of a series of academic studies to help publicise current philanthropy in Spain.

We have made a lot of progress, but without a doubt we still have much to do.



04

OUR YEAR
IN FIGURES



2019

OUR YEAR IN FIGURES

CaixaBank Private Banking charitable causes

We offer our clients causes so that they can develop their philanthropic objectives with the maximum transparency and impact possible

2019 donations

GAVI	€710,788
MILK COLLECTION CAMPAIGN	€288,317
OTHER CAUSES	€105,000

€1,104,105

Barcelona hosted "Film Night", the first charity dinner in which Private Banking customers helped raise over EUR 65,000 for the Trinijove Foundation.

Work with other NGOs

Donations made by our clients in support of the main organisations in Spain.

Total collected in 2019

€6,674,990



Sustainable and socially responsible investment

The entire CaixaBank Group is committed to sustainable and socially responsible investment (SRI). The efforts of CaixaBank AM and VidaCaixa have led to them being awarded the highest UNPRI rating (+ A) and this work is endorsed by the interest shown by our customers in including ESG criteria in the management of their assets.

Increase in average
balance of SRI funds



+501%



Charity awards

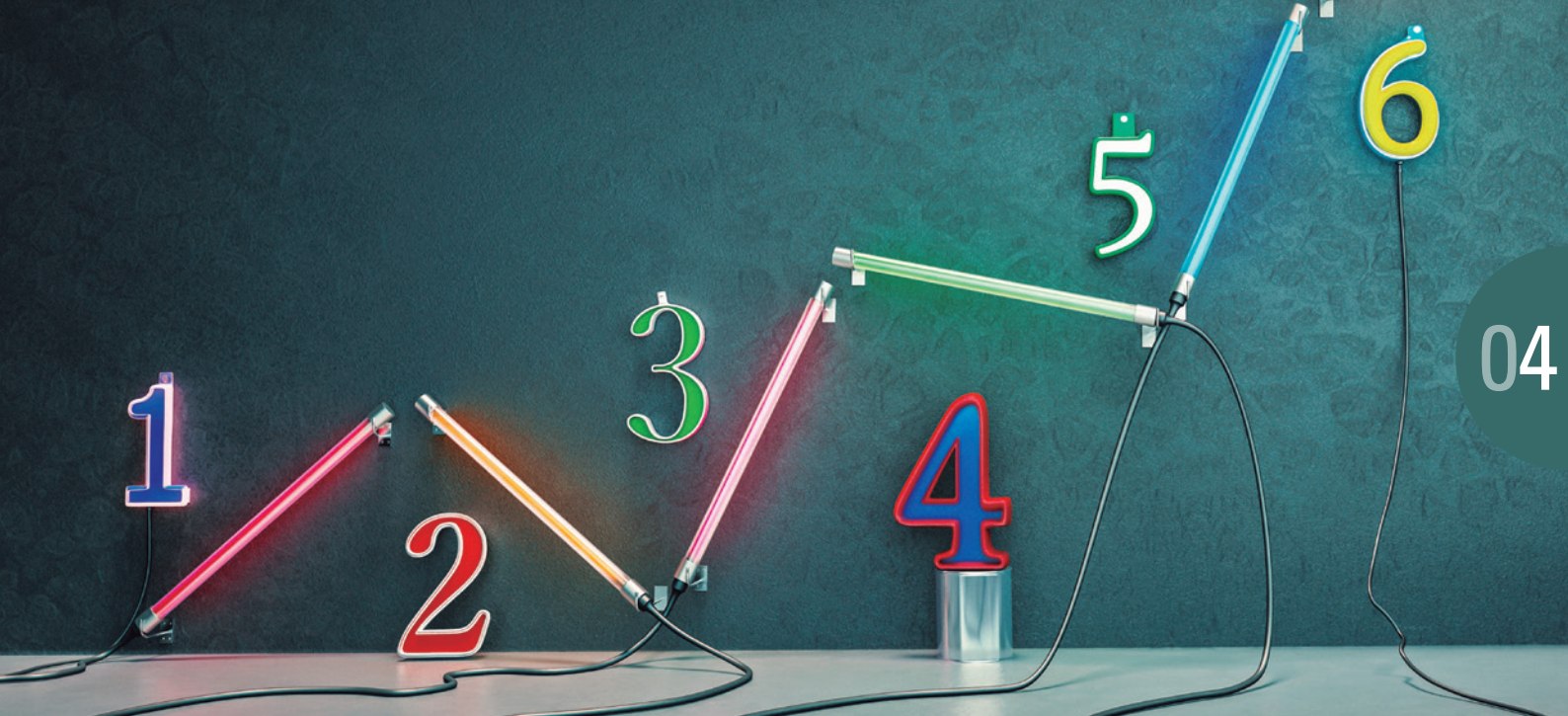
68 nominations in 2 categories:

- Best Philanthropy Project: Fundación Osborne (Osborne Foundation)
- Best Philanthropy Performance: Fundación Konecta (Konecta Foundation)

An annual event rewarding
the best initiatives in the field of
philanthropy and patronage.

PREMIOS SOLIDARIOS 2019





11 events. Geographic breakdown

Information sharing sessions with clients.



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