

# Resposta questionari CDP

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2020

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 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 391,414 million as of 31 December 2019.

CaixaBank is listed in the top sustainability indexes worldwide: Dow Jones Sustainability Index (DJSI), MSCI ESG Leaders, FTSE4Good, Ethibel Sustainability Index (ESI) Excellence Europe and CDP, in which CaixaBank has maintained its leadership score.

In 2019 the Group had six key business lines serving around 15.6 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. These subsidiaries provide operational support to the banking activity.

As for International banking activity, CaixaBank runs operational branches in Poland, Morocco (3 subsidiaries), United Kingdom, Germany, France and Portugal. The Group has representative offices in the following countries: Algeria, Australia, Brasil, China (3), Chile, Colombia, Egypt, United Arab Emirates, United States of America, India, Italy, Turkey, Peru, Singapore, South Africa and Canada. CaixaBank has a number of strategic alliances, formalised through business and commercial cooperation agreements, including Inbursa, Erste group Bank and Bank of East Asia. 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 2019 include: Best Bank in Western Europe 2019 (Global Finance), Best Bank in Spain (Euromoney and Global Finance), Best Bank Transformation in Western Europe 2019 (Euromoney), Most Innovative Financial Institution of Western Europe 2019 (The Innovators - Global Finance), Best Private Bank for digital communication – Global (Wealth Tech Awards - PWM), Tech Projects Awards - Biometric ATM's: Best "Delivery channels" (The Banker), Best Bank for Corporate Responsibility in Western Europe (Euromoney).

CaixaBank's commitment to the environment is shown in its focus on sustainability, in its financial and investment policy in terms of the risk assessment criteria of the projects that could be financed, as well as in its efforts to improve efficiency and cut emissions by managing and reporting the direct and indirect environmental impacts. CaixaBank supports the work of the Task Force on Climate-Related Financial Disclosures (TCFD) at the Financial Stability Board, as well as similar initiatives from the European Commission.

Regarding the organizational activities that apply to CaixaBank Group under the CDP Questionnaire:

- **Bank lending (Bank):** Corresponds to the activity of CaixaBank's banking branch, which has a specialised environmental risk management team supporting its lending portfolio and the group's ESG considerations.
- **Investing (Asset manager):** Corresponds to the activity of CaixaBank Asset Management (CAM), CaixaBank Group's subsidiary company. CAM is CaixaBank's collective investment institution management company, adhered to the UNPRI and the Climate Action 100+, managing its portfolio in accordance with these principles and helping to achieve the goals of the 2015 Paris Agreement (COP21).
- **Investing (Asset owner):** Corresponds to the activity of VidaCaixa, CaixaBank Group's subsidiary company. VidaCaixa is the leading insurance Company in Spain that designs, manages and markets life insurance as well as offering pension plan management to both individual customers and corporate clients. VidaCaixa is adhered to the UNPRI and the Climate Action 100+, managing its portfolio in accordance with these principles and helping to achieve the goals of the 2015 Paris Agreement (COP21).
- **Insurance underwriting (Insurance company):** Under the CDP Questionnaire, Insurance underwriting focus on the non-life insurance segment. Thus, for the life insurance segment, where VidaCaixa operates, it is a challenge to provide similar responses as the ones required for non-life insurance sector. The nature of the life insurance business makes it difficult to include climate-related risks and ESG considerations

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](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
Reporting year	January 1 2019	December 31 2019	Yes	1 year

C0.3

(C0.3) Select the countries/areas 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 chosen approach for consolidating your GHG inventory.

Operational control

C-FS0.7

(C-FS0.7) Which organizational activities does your organization undertake?

- Bank lending (Bank)
- Investing (Asset manager)
- Investing (Asset owner)

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. 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 Environmental Risk Management Committee, set up in March 2019 and chaired by the CRO, is the highest executive body to manage climate and environmental risks and reports into CaixaBank's Management Board. As an example of a climate-related decision made in the reporting year, the Board of Directors approved in February 2019 the Environmental Risk Management Policy, which sets the guiding principles in the management of environmental and climate risks at Group level, including the environmental implications that derive mainly from the activity of granting credit to customers. This policy, focused on the Energy, Mining, Infrastructure, Agriculture, fishing, livestock and forestry sectors, aims to reduce the impact of climate change and the potential harmful effects on the environment in general. Furthermore, the Board approved CaixaBank's Climate Change Statement in 2019, with 5 action lines, and is responsible for its supervision and monitoring. In addition, the Board is involved in the establishment and supervision of the CSR Master Plan, which includes Environment as one of the 5 lines of action aimed at investing and financing in order to mitigate and adapt to climate change, setting up annual targets, including energy efficiency.

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	Scope of board-level oversight	Please explain
Scheduled – some meetings	<p>Reviewing and guiding strategy</p> <p>Reviewing and guiding major plans of action</p> <p>Reviewing and guiding risk management policies</p> <p>Reviewing and guiding business plans</p> <p>Setting performance objectives</p> <p>Monitoring implementation and performance of objectives</p> <p>Monitoring and overseeing progress against goals and targets for addressing climate-related issues</p>	<p>Climate-related risks and opportunities to our bank operations</p> <p>Climate-related risks and opportunities to our bank lending activities</p> <p>Climate-related risks and opportunities to our investment activities</p> <p>The impact of our own operations on the climate</p> <p>The impact of our bank lending activities on the climate</p> <p>The impact of our investing activities on the climate</p>	<p>Key risk management policies are 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 considered 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. The Environmental Risk Management Committee, a sub-Committee of the Management Committee, meets Quarterly and is responsible for analysing and, where appropriate, approving the proposals made by the various functional areas with regard to the strategic positioning of the Bank in relation to Environmental Risk Management, in addition to identifying, managing and controlling the risks associated with this area on the front line. Decisions made in the Quarterly meetings are reported into the Management Committee. Further, 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.</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)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Risks Officer (CRO)	Reports to the board directly	Both assessing and managing climate-related risks and opportunities	<p>Risks and opportunities related to our bank lending activities</p> <p>Risks and opportunities related to our investing activities</p> <p>Risks and opportunities related to our own operations</p>	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. The CRO chairs the Environmental Risk Management (ERM) Committee, reporting into 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 climate and 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.

For all the above mentioned is why responsibilities for climate-related issues have been assigned to this position: it is the highest management-level position with responsibility for climate-related issues in CaixaBank, ultimately supervising all environmental risk management initiatives and the identification, management and control of risks, including climate change risks.

**C1.3**

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

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	CaixaBank provides incentives for the management of climate-related issues, including the attainment of targets. These are detailed in the following question C1.3a.

**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).**

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Chief Executive Officer (CEO)	Monetary reward	Emissions reduction target Portfolio/fund alignment to climate-related objectives	The Chief Executive Officer (CEO) has incentives related to low-carbon and climate resistant loan portfolio. The incentives in terms of Environmental and Climate Risk Management at the CEO level are focused on contributing to the alignment of the CaixaBank Group's loan portfolio with a low-carbon and climate-resistant economy in accordance with the commitments made by the entity within the framework of UNEP FI - PRB (UN Environmental Program Finance Initiative - Principles for Responsible Banking) Collective Commitment to Climate Action, establishing a metric that limits exposure to the most carbon-intensive and environmentally damaging activities. Additionally, it is considered, at a more general level, the development and implementation of policies and implementation of the specific plan (Road Map) to implement the Environmental Strategy during the Strategic Plan (2019-2021).
Chief Risk Officer (CRO)	Monetary reward	Emissions reduction target Portfolio/fund alignment to climate-related objectives	CRO (Chief Risk Officer) and DC GRMA (Corporate Directorate for Environmental Risk Management) have objectives related to establishing the RAF (Risk Appetite Framework) and measuring the portfolio's exposure to carbon. The incentives in terms of Environmental and Climate Risk Management at the CRO and DC GRMA level are focused on contributing to the alignment of the CaixaBank Group's loan portfolio with a low-carbon and climate-resistant economy in accordance with the commitments made by the entity within the framework of UNEP FI - PRB (UN Environmental Program Finance Initiative - Principles for Responsible Banking) Collective Commitment to Climate Action, establishing a metric that limits exposure to the most carbon-intensive and environmentally damaging activities. Additionally, it is considered, at a more general level, the development and implementation of policies and implementation of the specific plan (Road Map) to implement the Environmental Strategy during the Strategic Plan (2019-2021).
Chief Sustainability Officer (CSO)	Monetary reward	Emissions reduction target Energy reduction target Efficiency target	The Chief Sustainability Officer (CSO) 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 Climate Change within the company, especially those addressing emissions and energy reduction. These incentives apply also to the General Service Manager and other business units such as: Corporate Banking, asset management CSR, General Services, CIB (Corporate & Institutional Banking). 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.

**C-FS1.4**

**(C-FS1.4) Does your organization offer its employees an employment-based retirement scheme that incorporates ESG principles, including climate change?**

	We offer an employment-based retirement scheme that incorporates ESG principles, including climate change.	Comment
Row 1	Yes, as the default investment option for all plans offered	Our CaixaBank Group Employee Pension Plan is associated to the pension fund Pensions Caixa 30 (PC30), who is a signatory to the United Nations' Principles for Responsible Investment (UNPRI) since 2008. CaixaBank automatically provides to all its personnel with an Employee Pension Plan that incorporates responsible investment strategies. The fund investments are managed by VidaCaixa, which takes into consideration ESG principles, including climate change, into the investment process. Some of the SRI strategies implemented by PC30 include analysis and selection of companies and funds based on compliance, or not, with international standards on environmental protection, and thematic investing, with the aim of reducing the Carbon Footprint of the portfolio and improving its ESG notation. Implementing a metric that allows us to determine the environmental impact of our investments helps us assess our portfolio with respect to the ESG commitments acquired as signatories to the PRI. In 2019, the carbon footprint of PC30 (metric that weights, in terms of intensity, the emission of greenhouse gases by sales of the companies that comprise the reference index) was 185 tCO2e/M\$. This metric covers 89% of the fund, excluding Private Equity. PC30 wants to gradually reduce the value of this intensity metric so that its investments contribute less and less to climate change.

**C2. Risks and opportunities**

**C2.1**

**(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?**

Yes

**C2.1a**

**(C2.1a) How does your organization define short-, medium- and long-term time horizons?**

	From (years)	To (years)	Comment
Short-term	0	3	In the context of climate-related risks and opportunities, CaixaBank considers short-term the period 2019-2022
Medium-term	3	6	In the context of climate-related risks and opportunities, CaixaBank considers medium-term the period 2022-2025
Long-term	6	81	In the context of climate-related risks and opportunities, CaixaBank considers long-term until the year 2100 (2025-2100), which explains the value in the previous column (2100-2019=81)

## C2.1b

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### (C2.1b) How does your organization define substantive financial or strategic impact on your business?

With regards to financial impacts, 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 1,000,000 EUR and the value at risk is under 10,000,000 EUR).

With regards to the strategic impact of climate risks this is currently work in progress, as this will be the main outcome of the climate risk scenario analysis exercise which will be completed during 2020.

## C2.2

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### (C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

#### Value chain stage(s) covered

Direct operations  
Upstream  
Downstream

#### Risk management process

Integrated into multi-disciplinary company-wide risk management process

#### Frequency of assessment

More than once a year

#### Time horizon(s) covered

Short-term  
Medium-term  
Long-term

#### Description of process

The Group conducts a risk self-assessment process every 6 months, seeking to identify, assess, classify and internally report significant changes in inherent risks assumed in its environment and business model. Our risk assessment and management process covers all stages of our value chain (direct operations, upstream and downstream) and the short, medium and long term horizons. The Environmental Risk Management (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. Environmental risk management initiatives are supervised by this committee. It informs the Global Risk Committee and the Corporate responsibility and Reputational Committee (CRCR) on the agreements of the Committee, before finally being reported to the Board of Directors for approval. Therefore, our process to assess and manage climate related R&O is 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, etc.) contribute to the identification, weight and prioritization of climate-related R&O that might have a substantive financial or strategic impact on the business. Each area identifies climate related R&O according to TCFD categories: Transition Risks and Physical R&O 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 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 for each area or subsidiary, 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 management actions. 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 high. Results from the climate-related scenarios analysis carried out are considered. Financial implications of climate-related risks are assessed, qualitatively for all scenarios considered and quantitatively for the most relevant. Going forward, the conclusions of the quantitative climate risk scenario analysis will be incorporated in the risk assessment. So far, quantitative scenario analysis has been conducted for the Energy sector. This analysis will be extended to other sectors relevant from a transition and physical risk perspective. The ERM Committee promotes the integration of these 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. Then, the R&O are managed in order to mitigate the risks or take advantage of the opportunities. Climate and environmental risk governance and integration into business activities is based on the following risk management bodies: • ERMC; • Transaction Appraisal Unit: 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 ERMC; • ERM Policy: Within the framework of CaixaBank's Environmental Strategy, we developed an ERM Policy, approved by the Board of Directors, that regulates the financing of certain companies and projects representing a potential Environmental risk, including climate change risks, establishing the requirements under which CaixaBank will not assume credit risk. Its objective is to frame the global principles for the approval, management, communication and disclosure of environmental risks. • The Management of Environmental R&O Corporate Direction The risks (both transitional and physical, at all stages of the value chain) are managed by the corresponding team/department implementing the specific actions to manage the risk. CaixaBank has joined the Task Force on Climate related Financial Disclosure (TCFD) banking pilot phase II which is organized by UNEP FI, aimed at supporting the identification and disclosure of climate related R&O, including physical and transition risks. For example, with regards to the direct exposure of CaixaBank's operations to climate risk, once the transition 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 ERMC and integrated into the management tool. After being communicated to the Board of Directors, the risk is managed by the ERMC, which together with the Environmental Committee, specific actions to manage the risk are planned and executed. These actions included in 2019 the development of energy efficiency projects in Spain, related to automation, instalment of LED lightning in our Central Services buildings and replacement of 149 high-energy consumption air conditioning units. 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. The management process for climate-related opportunities is split in different areas of CaixaBank, depending on where the opportunity is identified. As an example, if the opportunity is related to a new financial product it is managed by the Business Committee.

## (C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Not relevant, included	CaixaBank's 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 in line with the TCFD guidelines. In this process CaixaBank has identified that currently this risk type is not as relevant as other risk types, but it is still included in the assessment. As an example of this risk type, with regards to CaixaBank's own operations, is the increased operational costs if the Bank is not able to comply with regulations regarding the emission of refrigerant gases, including the substitution of the most pollutant gases or the requirements to prevent leaks, such as the Spanish Royal Decree RD 115/2017 from 17th February, derived from the European regulation 517/2014 of the European Parliament. As mentioned, despite not being as relevant as other risk types, there is a potential risk for increased operational costs resulting from the fines established in this Royal Decree, from increased emissions of refrigerant gases from CaixaBank's central services buildings and from our 4,323 offices of the branch network. In this sense, in 2019, and as a mitigation action of this risk, 149 high-consumption air conditioning equipment were replaced in the offices of our branch network, avoiding the recharge of the R-23 gas, a refrigerant gas with a high GWP.
Emerging regulation	Relevant, always included	CaixaBank's 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 in line with the TCFD guidelines. 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, with regards to CaixaBank's own operations, is the associated with the increased indirect operational costs due to the potential application of carbon pricing mechanisms such as tax increases on electricity, fuels and water (related to price of HVAC, transportation, etc.) that would affect Spain, where we operate. In 2019 our electricity consumption was 151,690 MWh, so an increase in energy prices in Spain as a result of these potential carbon pricing mechanisms would imply an increase in our electricity costs, both for the central services and for our 4,323 offices of the branch network. We see this as a potential risk, relevant for us, based on the evolution of electricity prices in Spain, where we operate, which increased between 2 and 5% in the period 2008-2016 (source: EUROSTAT).
Technology	Not relevant, explanation provided	CaixaBank's 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 in line with the TCFD guidelines. In this process CaixaBank has identified this category more as an opportunity rather than a risk, and therefore Technology as a risk type 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	Not relevant, included	CaixaBank's 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 in line with the TCFD guidelines. In this process CaixaBank has identified that currently this risk type is not as relevant as other risk types, but it is still included in the assessment. As an example of this risk type, the potential increased costs for CaixaBank's customers in order to comply with environmental legal requirements, such as in the energy and utilities sector, as well as the transport, chemical and livestock sector, which can potentially be affected. Failure in complying could affect its solvency / ability to pay. Thus, this is an example of a potential legal risk associated with our client's 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 generate 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. Although Agrobank currently assesses this risk with a low probability of occurrence, as in general its customers can comply with current environmental regulations, we still consider this risk in our assessment.
Market	Relevant, always included	CaixaBank's 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 in line with the TCFD guidelines. As an example of this risk type, there is a risk that some of our current carbon-intensive clients (credit portfolio companies with a high exposure to CO2 emissions) will become more exposed to transition risks as a result of climate change, becoming less profitable. Consequently, rating agencies will lower their rating, making it more difficult for these companies to access loans or other financial products. In this sense, and considering CaixaBank's current exposure to such activities (accounted for around 2% of the total financial instruments' portfolio) there is a potential risk associated to a loss of profits from these clients as CaixaBank might be driven to de-risk this part of its lending portfolio. Another example, 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 potentially affect one of CaixaBank's subsidiary, Agrobank, a business line specialized in the agricultural sector as well as in the agro-food industry.
Reputation	Relevant, always included	CaixaBank's 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 in line with the TCFD guidelines. As an example of this risk type, the reduced revenues from services and products of CaixaBank due to a bad perception of our customers about CaixaBank's products adapted to the sustainable approach they are seeking. CaixaBank 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), among others. The Group has been offering green products and services for many years now, such as the EcoFinancing and the MicroBank Fondo Ecologico (ecological fund), both since 2013. 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. If this is the case, CaixaBank would see its revenues from some of these products and services reduced.
Acute physical	Relevant, always included	CaixaBank's 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 in line with the TCFD guidelines. As an example of this risk type, with regards to CaixaBank's own operations, 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 at our 4,323 offices of the branch network. IPCC predicts for the Mediterranean region, where we operate, a future increase in the frequency and intensity of extreme weather events such as extreme precipitation, floods and others, which 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 4,323 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.
Chronic physical	Relevant, always included	CaixaBank's 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 in line with the TCFD guidelines. As an example of this risk type, with regards to CaixaBank's own operations, the increased indirect operational costs as a result of increased refrigeration consumption at our 4,323 offices of the branch network. IPCC predicts for the Mediterranean region, where we operate, a future increase in the mean and maximum temperatures, which would lead to a higher consumption of our refrigeration equipment at our offices in Spain. As a result of the increasing temperatures and increased refrigeration consumption CaixaBank would potentially see an increase in its electricity costs, as well as increase in greenhouse gas emissions. Another example of a chronic physical risk is the reduced revenues from our insurance business as a result of increased insurance premiums and potential for reduced availability of insurance on assets in "high-risk" locations, such as us facilities in flood areas or agricultural crops that could be affected by droughts, fires or hail in Spain. According to IPCC, these climate events will increase in frequency and intensity in the Mediterranean region in the future, so 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.



**(C-FS2.2b) Do you assess your portfolio's exposure to climate-related risks and opportunities?**

	We assess the portfolio's exposure	Please explain
Bank lending (Bank)	Yes	CaixaBank joined the second phase of the UNEP FI pilot in 04/2019 to promote the implementation of the TCFD recommendations of the Financial Stability Board, with a focus on the analysis of physical and transition risk scenarios. Regarding climate change risks (physical and transition), CaixaBank is prioritizing the analysis and quantification of Transition Risks in the Oil & Gas and Power Utilities sectors, which are the ones where the greatest potential risks are perceived, taking into account CaixaBank's current loan portfolio. For these sectors, CaixaBank has carried out, within the working group coordinated by UNEP FI (TCFD Banking Pilot Phase II), a detailed heatmap by segments, and a projection of the rating of the main clients at 5, 10 and 20 years ahead, which, together with projections of the evolution of the sector according to the climate models chosen by UNEP FI, is the basis of the main exercise carried out. We are also holding engagement meetings with clients to contrast their decarbonisation strategies and other actions to mitigate the potential impact of transition risks on their activities. The result of the analysis carried out by CaixaBank will be published as a Case Study within the framework of the UNEP FI Project. Likewise, within the framework of the transition risk assessment, the qualitative analysis of transition risk for the Transportation and Construction sectors in the form of a sensitivity analysis (heatmap) for the has also been carried out. In relation to physical risks, the main potential risk is perceived in the Real Estate and agricultural portfolio due to their exposure to climatic events (abrupt and chronic, in the longer term). In this sense, a detailed analysis of climate change scenarios due to physical risks has been planned for the second half of 2020.
Investing (Asset manager)	No, but we plan to do so in the next two years	CaixaBank Asset Management, CaixaBank's collective investment institution management company, is adhered to the United Nations Principles of Responsible Investment (UNPRI) since 2016 and manage its portfolio in accordance with these principles. CaixaBank Asset Management 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). We are currently developing a climate strategy for measuring and monitoring our portfolio's exposure to climate risks and opportunities. This analysis would cover approximately 25% of our total portfolio, of which 8.3% corresponds to bonds and Equity. We will use the PACTA tool, which will provide us with information on the percentage of the portfolio that is exposed to activities in the fossil fuels, energy and the automobile sectors. We will also gather information on the weight of each of the technologies / fuels in the portfolio for each asset type and sector, comparing it with the current bond and stock markets, their trends and exposures for the next 5 years.
Investing (Asset owner)	Yes	VidaCaixa is the leading insurance Company in Spain that designs, manages and markets life insurance as well as offering pension plan management to both individual customers and corporate clients. VidaCaixa is adhered to the United Nations Principles for Responsible Investing (UNPRI) since 2009 and manage its portfolio in accordance with these principles. VidaCaixa 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). Pensions Caixa 30 (PC30) is Caixabank Group's Employee Pension Plan and is a signatory of UNPRI. The fund investments are managed by VidaCaixa, which takes into consideration ESG principles, including climate change, into the investment process. Some of the SRI strategies implemented by PC30 include analysis and selection of companies and funds based on compliance, or not, with international standards on environmental protection, and thematic investing, with the aim of reducing the Carbon Footprint of the portfolio and improving its ESG notation. In 2019, in the context of the objectives established in the Paris Agreement, we have carried out an analysis of scenarios based on the PACTA Tool. The goals of this analysis were to determine in some specific sectors (such as utilities, Oil & gas, automotive) if our holdings' projected activities in 2023 (example: future energy mix for utilities, share of EVs for car makers) were aligned with a 2° trajectory requirements. It also allowed us to compare our positioning with the market's exposure. This analysis applies to sectors that represent less than 10% of our portfolio. The analysed sectors represent more than 70% of energy-related emissions. The results obtained in this analysis serve to evaluate how the portfolio is positioned from one year to the next and compared to an index (in terms of alignment with a 2° scenario). Our main result so far is that the current exposure to transition risk is less than that of the market, the evolution of portfolio in 5 years (2018-2023) achieves the objective of limiting global warming to 2°C in the above-mentioned sectors (utilities, Oil & gas, automotive).
Insurance underwriting (Insurance company)	<Not Applicable >	<Not Applicable>
Other products and services, please specify	Not applicable	The main financial products and services offered by CaixaBank Group are already included in the previous organizational activities/portfolios, thus this category is not applicable for us.

**C-FS2.2c**

**(C-FS2.2c) Describe how you assess your portfolio's exposure to climate-related risks and opportunities.**

	Portfolio coverage	Assessment type	Description
Bank lending (Bank)	Majority of the portfolio	Qualitative and quantitative	The current focus of the assessment of climate related risks and opportunities is on the following sub-portfolios: - Real Estate lending (including retail and Commercial Real Estate): for all new real estate financing transactions, the energy efficiency certificate of the financed real estate asset is requested as part of the credit approval process (Real Estate portfolio represents approximately 41% of total Exposure at Default -EAD) - Business client lending activities: based on the ERM Policy, general and sector specific exclusions are reviewed for all new transactions falling within the scope of the Policy (approximately 21% of EAD) - Scenario Analysis at portfolio level: within the working group coordinated by UNEP FI (TCFD Banking Pilot Phase II), we applied the methodology and tool developed jointly by Oliver Wyman to analyse the transition risk by calculating the change in the expected loss of a sample of customers within the Energy sector (Oil&Gas and Power Utilities) (approximately 7% of EAD, included above). To make this calculation we used: 1. Prediction of potential pathways for a set of agreed risk factors under a particular global warming scenario, coming from an external IAM model (in our case the REMIND model, Potsdam Institute for Climate Impact Research (PIK)). IAMs model alternative scenarios for changes in public policies and technologies over periods of 20-40 years to reach different levels of global warming and project possible pathways for the considered variables. Risk factor pathways are estimates of the average cost for the sector to transition to a decarbonized economy based on the chosen scenario. For this particular exercise, estimates are made on 4 risk factors: Direct and indirect costs of emissions, low carbon CAPEX and revenues. 2. A sensitivity analysis of these 4 risk factors (heatmaps). 3. The current credit risk variables of the customers analysed. 4. An estimate of how the rating of these customers will evolve in 2025, 2030 and 2040 considering the risk of transition, according to expert criteria. The tool modifies the predicted Risk Factor Pathways to adjust them to the portfolio of the bank by considering both the current credit risk variables and the future rating estimates of the sample of clients, together with the provided heatmaps. The expected change in credit risk variables is based on the resulting adjusted Risk Factor Pathways. In addition, and as part of the scenario analysis process within the framework of the UNEP FI pilot, the risk of climate transition in the utilities and oil & gas sectors has been assessed and the Top 9 clients in these sectors have been analysed individually. To complete this analysis, meetings were held with the clients to get their vision on their exposure to climate risks in the short, medium and long term and their decarbonisation strategies. CaixaBank plans to extend these engagement actions to other relevant clients.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Minority of the portfolio	Qualitative and quantitative	Pensions Caixa 30 (PC30) is CaixaBank Group's Employee Pension Plan and is a signatory of UNPRI. The fund investments are managed by VidaCaixa, which takes into consideration ESG principles, including climate change, into the investment process. In 2019, in the context of the objectives established in the Paris Agreement, we have carried out an analysis of scenarios based on the PACTA tool. The goals of this analysis were to determine in some specific sectors (such as utilities, Oil & gas, automotive) if our holdings' projected activities in 2023 (example: future energy mix for utilities, share of EVs for car makers) were aligned with a 2° trajectory requirements. It also allowed us to compare our positioning with the market's exposure. We have used the PACTA tool on the entire fund's portfolio (PC30). This analysis applies to sectors that represent less than 10% of our portfolio, although they represent more than 70% of the energy-related greenhouse gas emissions of the fund. The results obtained in this analysis serve to evaluate how the portfolio is positioned from one year to the next and compared to an index (in terms of alignment with a 2° scenario). Our main result so far is that the current exposure to transition risk is less than that of the market, the evolution of portfolio in 5 years (2018-2023) achieves the objective of limiting global warming to 2°C in the above-mentioned sectors (utilities, Oil & gas, automotive). To date, these results have not led to a change in our portfolio composition. It remains at the monitoring level. In addition to the quantitative analysis with PACTA, our exposure to climate-related risk is also monitored monthly through a detailed monitoring of the carbon intensity evolution by asset class. In case there is a significant or inexplicable rise in an investment fund's CO2 intensity, this is assessed, and engagement actions may be carried out with the external asset manager in charge of the fund.
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	<Not Applicable>	<Not Applicable>	<Not Applicable>

**C-FS2.2d**

**(C-FS2.2d) Do you assess your portfolio's exposure to water-related risks and opportunities?**

	We assess the portfolio's exposure	Portfolio coverage	Please explain
Bank lending (Bank)	No, we don't assess this	<Not Applicable>	Despite not specifically focusing on risks and opportunities related to water, hydric stress is considered as one of the 6 environmental objectives in the EU Taxonomy, which we have started to deploy in our credit portfolio. Further, we make an environmental risk assessment during the credit risk approval process as per our Environmental Risk Management Policy. This policy addresses the environmental repercussions of its lending activity to customers and aims to mitigate the impact of climate change, the potentially harmful effects on the environment in general (such as air and water pollution, depletion of natural resources and biodiversity) and the related risks (such as natural disasters). This policy sets out the criteria and procedures to be followed in relation to the funding of certain activities that could have a relatively significant environmental and social impact in the following sectors, which are also related to water: Mining, Energy, Infrastructure, Agriculture, fishing, livestock and forestry. For example, CaixaBank will assume no credit risk in new projects that dump waste into coastal or other shallow waters or that involve the construction of new desalination plants in which no measures are envisaged to mitigate the adverse impacts arising from the disposal of brine and/or of the capture of seawater (in accordance with the Water and Sanitation Environmental, Health and Safety Guidelines of the International Finance Corporation). Furthermore, regarding water-related opportunities, AgroBank (CaixaBank's business line specialized in the agricultural sector as well as in the agro-food industry) has an EcoFinancing line for farming projects for efficient water use, thus creating a positive impact on the organization resulting from improved water security.
Investing (Asset manager)	No, we don't assess this	<Not Applicable>	We do not specifically assess our portfolio's exposure to water-related risks and opportunities as we are currently prioritizing the implementation of a climate strategy for measuring and monitoring our portfolio's exposure to climate risks and opportunities, which would cover approximately 25% of our total portfolio. After this analysis we will consider whether to assess our portfolio's water exposure.
Investing (Asset owner)	No, we don't assess this	<Not Applicable>	We currently do not assess this for PC30. For the first time in 2019, we calculated a "water intensity" of the VidaCaixa insurance credit portfolio, although this figure is not public. This water footprint is being regularly monitored for a recently created fund, CaixaBank Selección Futuro Sostenible, although at the moment, this is not public data. This water footprint is calculated based on water withdrawal volumes, such as reported by the issuer or estimated by a specialized provider, divided by sales.
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	<Not Applicable>	The main financial products and services offered by CaixaBank Group are already included in the previous organizational activities/portfolios, thus this category is not applicable for us.

## (C-FS2.2e) Do you assess your portfolio's exposure to forests-related risks and opportunities?

	We assess the portfolio's exposure	Portfolio coverage	Please explain
Bank lending (Bank)	No, we don't assess this	<Not Applicable>	We do not specifically focus on risks and opportunities related with Forests. However, we make an environmental risk assessment during the credit risk approval process as per our Environmental Risk Management Policy. This policy addresses the environmental repercussions of its lending activity to customers and aims to mitigate the impact of climate change, the potentially harmful effects on the environment in general (such as air and water pollution, depletion of natural resources and biodiversity) and the related risks (such as natural disasters). This policy sets out the criteria and procedures to be followed in relation to the funding of certain activities that could have a relatively significant environmental and social impact in the Agriculture, fishing, livestock and forestry sector, as well as other sectors such as Mining, Energy and Infrastructure. For example, CaixaBank will assume no credit risk in new projects related to land clearing by burning or projects for commercial palm oil plantations, if swamps or peat-rich areas are drained and do not have a peat management system in place. Also, CaixaBank commits not to engage in the lending for activities that imply a negative impact on areas included on the UNESCO World Heritage List, wetlands registered by the RAMSAR Convention, Alliance for Zero Extinction sites, protected areas under categories 1-4 of the IUCN, marine protected areas, primary tropical rainforests, primary or high conservation value forests or old-growth forests as defined by the World Resource Institute.
Investing (Asset manager)	No, we don't assess this	<Not Applicable>	We do not specifically assess our portfolio's exposure to forest-related risks and opportunities as we are currently prioritizing the implementation of a climate strategy for measuring and monitoring our portfolio's exposure to climate risks and opportunities, which would cover approximately 25% of our total portfolio. After this analysis we will consider whether to assess our portfolio's forest exposure. However, we are interested in receiving more information on the subject (KPIs considered as most relevant, available data sources, etc.)
Investing (Asset owner)	No, we don't assess this	<Not Applicable>	We currently do not assess this for PC30. However, we are interested in receiving more information on the subject (KPIs considered as most relevant, available data sources, etc.)
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	<Not Applicable>	The main financial products and services offered by CaixaBank Group are already included in the previous organizational activities/portfolios, thus this category is not applicable for us.

**(C-FS2.2f) Do you request climate-related information from your clients/investees as part of your due diligence and/or risk assessment practices?**

	We request climate-related information	Please explain
Bank lending (Bank)	Yes	Yes, we consider climate and environmental risks during the credit approval process as per our Environmental Risk Management Policy. The Environmental Risk Management Policy sets the governing principles for all clients. Sector specific exclusions are reviewed for new lending arrangements and guarantees and the purchase of fixed-income securities, equity instruments and other similar securities in companies or groups whose consolidated turnover exceeds 50 million euros and where such arrangements involve Project financing and/or Long-term transactions (more than two years) where the amount exceeds 5 million euros (such as syndicated credit facilities, loans and guarantees). The Environmental Risk Management Policy establishes the criteria that are currently being implemented in the Bank's client onboarding and credit approval processes. The policy establishes general and sector-specific exclusions where CaixaBank will not assume credit risk. General exclusions apply to all clients, whereas sector specific exclusions affect certain activities in the sectors of Energy, Mining, Infrastructure and Agriculture, fishing, farming and forestry of the loan agreements included. In the credit approval process, we use an Environmental Risk Assessment questionnaire. The client questionnaire is used to assess the following questions during the client onboarding (Due Diligence): i) compliance with CaixaBank's Environmental Risk Management Policy (in terms of general and sector specific exclusions); ii) Environmental risk, based on the activity, ESG management, sanctions, etc. and iii) GHG emissions. The questionnaire is reviewed on a yearly basis. Based on the questionnaire an environmental risk assessment is generated. In addition to the client questionnaire, during the credit approval process, the specific transaction is assessed as well in accordance with the Environmental Risk Management Policy. The assessment of environmental risk in the credit approval process is currently being rolled out by phases. The assessment is carried out based on an environmental risk assessment questionnaire, where the exclusions defined in the policy are reviewed and the environmental risk is assessed in 5 categories. In addition, and as part of the scenario analysis process within the framework of the UNEP FI pilot, the risk of climate transition in the utilities and oil & gas sectors has been assessed and the Top 9 clients in these sectors have been analysed individually. To complete this analysis, meetings were held with the clients to get their vision on their exposure to climate risks in the short, medium and long term and their decarbonisation strategies. CaixaBank plans to extend these engagement actions to other relevant clients.
Investing (Asset manager)	No, but we plan to do so in the next two years	We currently do not incorporate investees' climate-related information in fund allocation and investment risk assessment processes, but we plan to do so in the next two years. We are currently developing our strategy to incorporate these aspects, among others in relation with reporting to customers and stakeholders. In this sense, Spain's Draft Law on Climate Change and Energy Transition aims to transform over the next 30 years an important part of the economic activity in Spain until reaching emissions neutrality at the latest by 2050. In financial matters, the Draft Law introduces in its article 28 the obligation of listed companies, insurers, banks and other large companies to prepare an annual report that includes an assessment of the financial impact of climate-related risks on society, as a result of the company's exposure to these risks, as well as including the measures adopted to face these risks. Although this project does not contain any specific measure for Collective Investment Institutions (CII) managers, we are closely following all these regulatory developments, as well as the European Commission's published drafts of the delegated acts under Directive 2009/65/EC (UCITS Directive), Directive 2011/61/EU (AIFMD) and Directive 2014/65/EU (MiFID II) with regard to the integration of sustainability risks and sustainability factors.
Investing (Asset owner)	Yes, for some	Before investing in a company and if it does eventually become part of its portfolio, VidaCaixa applies sustainability principles based on the assessment of compliance with the main international treaties and the establishment of exclusions in accordance with its Defence Policy and its Environmental Risk Management Policy. If an asset passes the exclusion principles, the analysis is carried out from both a financial and an ESG viewpoint, including environmental and climate-related aspects, based on which the investment decision is made. To perform this analysis, VidaCaixa uses data from suppliers specialising in these issues. As a manager of Pension Funds, VidaCaixa has fiduciary obligation for the investments it makes for its customers in the individual segment. For this reason, the ESG principles also apply to indirect investments, that is, when making the decision to invest in an investment fund. This analysis uses both ESG data collected in the due diligence processes carried out with external fund managers and data from specialised suppliers. For example, in the Due Diligence practices for investment funds we ask whether they have an environmental policy and management system in place. Regarding direct investments, as part of the ESG analysis, we consider the carbon intensity (scope 1 and 2) of an issuer. For companies, we also check their exposure to thermic coal and tar sands since it's an exclusion criterion, based on the Group's Environmental risk policy. Based on that, the suitability of investing in the fund is finally assessed. These environmental principles are also integrated into the monitoring of portfolios. Continuous assessment and rating of this investment is carried out through a system of daily alerts. The active ownership of the companies in the portfolio should also allow them to improve their environmental and overall ESG performance in the medium-term. As a new feature in 2019, the Company has developed its voting strategy at the General Shareholders' Meetings of the companies in which it invests, integrating ESG considerations in order to improve the governance and sustainability practices of these organisations.
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	The main financial products and services offered by CaixaBank Group are already included in the previous organizational activities/portfolios, thus this category is not applicable for us.

**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 & Primary climate-related risk driver**

Emerging regulation	Carbon pricing mechanisms
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**Primary potential financial impact**

Increased indirect (operating) costs

**Climate risk type mapped to traditional financial services industry risk classification**

Operational risk

**Company-specific description**

This risk is associated to the increased operational costs for CaixaBank due to the potential application of carbon pricing mechanisms such as tax increases on electricity, fuels and water (related to price of HVAC, transportation, etc.) that would affect Spain, where we operate. In 2019 our electricity consumption was 151,690 MWh, so an increase in energy prices in Spain as a result of these potential carbon pricing mechanisms would imply an increase in our electricity costs, both for the central services

and for our 4,323 offices of the branch network. This increase in our operating costs, derived from carbon pricing mechanisms, may arise from government measures (taxes), market causes or a combination of both. CaixaBank is already mitigating this risk through its Environmental management plan 2019-2021 (and the previous plans from previous years), implementing several energy efficiency measures, which in 2019 included installation of LED lightning and replacement of 149 acclimatization equipment 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)**

556841

**Potential financial impact figure – maximum (currency)**

1392102

**Explanation of financial impact figure**

It is difficult to predict exactly how will these potential carbon pricing mechanisms materialise in the future, due to the many factors that affect it. To make an estimation, we assume a proportional increase in the electricity prices affecting Spain between 2 and 5%, based on the evolution of electricity prices in Spain in the period 2008-2016 (source: EUROSTAT). Considering our energy costs in 2019 were €27,842,038, the estimated financial implications are a yearly operational cost increase of around €556,841 to €1,392,102. These values reported (minimum and maximum) have been obtained by applying a 2% and a 5% increase to the total energy costs in 2019, respectively.

**Cost of response to risk**

4992045

**Description of response and explanation of cost calculation**

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 2019 the investment in energy efficiency represented around €4,992,045 for CaixaBank. This budget includes an automation project in our branch network to reduce electricity consumption (which represents around 20% of this total cost), the replacement of fluorescent lightning for LED lightning in its Central Services Buildings (1% of the total cost), the replacement of 149 high-energy consumption air conditioning units with more efficient ones in the branch network in Spain (49% of total cost), and the acquisition of 1,500 energy efficient smart PC (Energy Star) also in the Branch Network (30% of total cost). These projects achieved in 2019 an overall energy consumption reduction of 2,127 MWh (See question C4.3b for more details). 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.

**Comment**

In addition, >99 % of the energy consumed is from renewable sources, which is currently a way of mitigating part of this risk too. Note: The lifetime of these initiatives ranges from 6-15 years.

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**Identifier**

Risk 2

**Where in the value chain does the risk driver occur?**

Downstream

**Risk type & Primary climate-related risk driver**

Market	Other, please specify (Worsen rating conditions from current carbon-intensive clients due to higher transition risk profiles. Unacceptable risk-reward conditions, limiting the lending portfolio.)
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**Primary potential financial impact**

Reduced profitability of investment portfolios

**Climate risk type mapped to traditional financial services industry risk classification**

Credit risk

**Company-specific description**

There is a risk that some of our current carbon-intensive clients (credit portfolio companies with a high exposure to CO2 emissions) will be affected by carbon regulations in the future and become more exposed to transition risks as a result of climate change, becoming less profitable. Consequently, rating agencies will lower their rating, making it more difficult for these companies to access loans or other financial products. Since 2018 CaixaBank measures the exposure of its lending portfolio to economic activities considered to be linked to high CO2 emissions. In 2019, such activities accounted for around 2% of the total financial instruments' portfolio (credit, equity and fixed income), a metric disclosed in CaixaBank's 2019 Management Report following TCFD recommendations and detailed in C-FS14.1b of this questionnaire. In this sense, considering our current credit portfolio exposure to these activities and a business as usual approach, there is a potential risk associated to a loss of profits from these clients with a high exposure to carbon regulations, as CaixaBank might be driven to de-risk this part of its lending portfolio, representing a reduction in the group's profits from these companies.

**Time horizon**

Long-term

**Likelihood**

More likely than not

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**



Yes, a single figure estimate

**Potential financial impact figure (currency)**

49000000

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

The estimated financial impact of this potential risk is associated to the decreased revenues from our carbon-intensive client segments, assuming a reduction of these more carbon exposed companies from our credit portfolio. As a first approximation to calculate the potential financial impact of this risk we used CaixaBank's carbon-intensive exposure (credit, equity and fixed income), which accounts for around 2% of the total financial instruments' portfolio, as disclosed in the 2019 Management Report following TCFD recommendations, approximately €4bn. On the other hand, we have used CaixaBank's gross balance sheet interest margin (1.23%) as disclosed in the 2019 Management Report. These two values allow us to estimate the value at risk due to this transition risk, which accounts for around €49 million, as a potential gross profit loss for the Group. The calculation to obtain this value, which considers a worst-case scenario, is as follows: Value at Risk due to climate risk (Potential missed gross profit) = Carbon intensive financial instruments portfolio (2% of the total financial instruments' portfolio, approximately €4bn) x Gross Balance Sheet Interest Margin (1.23%). Note: In the "primary potential financial impact" column we have selected the option that more closely describes the estimated financial impact. However, note it is not a reduction of profitability of our investment portfolio, but a reduction in size of the lending portfolio due to the exclusion of "high carbon-intensive companies".

**Cost of response to risk**

500000

**Description of response and explanation of cost calculation**

CaixaBank is already managing this risk firstly, by measuring since 2018 the exposure of its lending portfolio to economic activities considered to be linked to high CO2 emissions, following TCFD recommendations. Such activities accounted for around 2% of the total financial instruments' portfolio in 2018 and 2019. Determining our credit exposure to CO2 emission intense businesses helps us identify the measures to take in order to manage this exposure. This risk metric is complemented by an additional carbon-intensity metric (non-public) in order to monitor the carbon intensity of our aggregated exposure in accordance with our risk appetite. The metric was approved by CaixaBank's Global Risk Committee and has already been implemented. The climate risk scenario analysis started in 2019 is as well aimed at identifying and managing the portfolio exposure to climate risk. This exercise is being carried out by phases prioritising the sectors with a higher potential transition risk in our portfolio (see question C3.1b for more details). On the Business side, CaixaBank already has specialist staff in some of the business segments which are most sensitive from the viewpoint of climate and environmental risk, including the real estate sector, infrastructure and energy projects and agriculture, with a view to facilitating customer engagement in the transition to a low-carbon economy. As part of the scenario analysis we have carried out, workshops have been held with customers of the Energy sector to get their view around transition risk and their decarbonization strategies. Currently, CaixaBank has 11 Full time employees (FTEs) working in the Environmental Risk Management Corporate Direction, dedicated to risk management, risk decision and advisory with regards to climate and environmental risks. In addition, and more recently, a dedicated Sustainable Finance Team (3 FTEs) was set up to pursue business opportunities, which among others, will help to balance the current exposure to high carbon activities. The management cost of this risk (€500,000 per year) has been estimated on a best effort basis considering the IT adaptations needed and the implementation of processes and methodologies (€200,000), the access to external data and information resources (€100,000) and 3 equivalent FTEs (€200,000).

**Comment**

Other actions we are carrying out to manage this risk: -The Environmental Risk Management Policy, approved by the Board of Directors in February 2019, 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. -In 2019 we signed the UN Collective Commitment to Climate Action to align our portfolio to reflect and finance the low-carbon, climate-resilient economy required to limit global warming to below 2°C.

**Identifier**

Risk 3

**Where in the value chain does the risk driver occur?**

Downstream

**Risk type & Primary climate-related risk driver**

Reputation	Increased stakeholder concern or negative stakeholder feedback
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**Primary potential financial impact**

Decreased revenues due to reduced demand for products and services

**Climate risk type mapped to traditional financial services industry risk classification**

Reputational risk

**Company-specific description**

This risk is associated to the reduced revenues from services and products of CaixaBank due to a bad perception of our customers about CaixaBank's products adapted to the sustainable approach they are seeking. CaixaBank 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), among others. The Group has been offering green products and services for many years now, such as the EcoFinancing and the MicroBank Fondo Ecológico (ecological fund), both since 2013. 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)**

608700000

**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 revenues from the reduced demand for products and services. As an estimation for this value we consider CaixaBank's total volume of environmentally sustainable activities in 2019, which was of €6,087 million. These account for around 4% of our portfolio (at 31 december 2019). Pending the approval of the EU Taxonomy, CaixaBank has calculated this value considering the following categories. Specifically, this value includes: - Financing energy-efficient properties: Operations for which there is documentary evidence of an energy efficiency certificate with A or B rating are considered environmentally sustainable. The promotions formalised in 2019 include operations for €938 million with A or B rating. -Renewable Energy projects (wind, photovoltaic, etc.): In 2019, we helped to finance 28 projects for a total of € 2,453 million, funding 8,322 MW of installed renewable power. -Loans classified as "green" according to the Green Bond Principles (GBP) established by the International Capital Markets Association (ICMA): In 2019, CaixaBank was ranked 13th in the green loan market Global Mandated Lead Arranger, participating in 11 green loans for a volume of €1,737 million. All these loans obtained the Green Certificate, based on the criteria of the Green Loan Principles established by the ICMA. -Eco-loans for financing energy-efficient home refurbishment and the purchase of energy-efficient vehicles and domestic appliances and Eco-financing for the agricultural sector: CaixaBank has specific financing lines for buying environmentally-friendly vehicles and household appliances, investing in energy efficient housing, promoting investments to make resources more efficient and reduce their environmental impact. In 2019, the Company granted a total of 505 loans for €10.2 million linked to EcoFinancing. -Loans linked to sustainability indices: In 2019 CaixaBank gave 11 loans for a total of €919 million which were conditional upon recognition of good performance by the company regarding sustainability, measured according to ESG indicators applied by independent bodies. -EIB Climate Action Lines: The €30 million credit line agreement signed by CaixaBank in 2018 with the European Investment Bank (EIB) to fund projects by SMEs, individuals, and the public sector to combat climate change (especially electric vehicles, modifications to facilities and home improvements) is still in place.

**Cost of response to risk**

632940

**Description of response and explanation of cost calculation**

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 management of this risk is €632,940, 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 2019, which was €63,294 (calculation as follows: €63,294 \* 10 managers = €632,940). The costs of offering the Green Account and EcoMicroCredits are part of the regular business.

**Comment**

Here are other actions the Group carries out to manage this risk: If any department of CaixaBank have a minimal suspicious 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 & Primary climate-related risk driver**

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods
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**Primary potential financial impact**

Increased indirect (operating) costs

**Climate risk type mapped to traditional financial services industry risk classification**

Operational risk

**Company-specific description**

The risk is associated to the increase of our indirect 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 at our 4,323 offices of the branch network. IPCC predicts for the Mediterranean region, where we operate, a future increase in the frequency and intensity of extreme weather events such as extreme precipitation, floods and others, which 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 indirect operating 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 million (frequency 1/100).

**Cost of response to risk**

3770000

**Description of response and explanation of cost calculation**

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 million, which corresponds to the cost of investment of the DPC and its annual maintenance cost.

**Comment**

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C2.4

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**(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

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**(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

**Primary potential financial impact**

Reduced indirect (operating) costs

**Company-specific description**

This opportunity is associated to the reduced operational costs due to the implementation of Voluntary Standards such as ISO14001, ISO 50001, Ecolabels and EMAS, (established in CaixaBank since 2003, 2017 and 2004 respectively), 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 5% in 2019 compared to 2018 (151,690 MWh in 2019 compared to 159,207 MWh in 2018) and avoided the consumption of 453,618 kg of paper, as well as achieved a 25% reduction in the volume of plastic waste generation in the cafeteria in 2019 at Central Service, 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)**

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**Potential financial impact figure – minimum (currency)**

&lt;Not Applicable&gt;

**Potential financial impact figure – maximum (currency)**

&lt;Not Applicable&gt;

**Explanation of financial impact figure**

As mentioned, as a result of the implementation of these voluntary standards, CaixaBank has reduced its electricity consumption by 5% in 2019 compared to 2018 (151,690 MWh in 2019 compared to 159,207 MWh in 2018). Last year, thanks to the implementation of several energy efficiency measures, cost reductions amounted to €734,000. 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. Taking the savings of the reporting year 2019, similar to those of last year, in 2019 this cost reduction was around €786,151, thanks to the targets established through the EMS. This value has been calculated adding the cost savings of several energy efficiency measures implemented 2019, and included in the CDP question C4.3b, which specifically are: implementation of an automation project in our Branch network (representing the 83% of the total reduced indirect costs), replacement of 149 high-consumption air conditioning for more efficient ones also in our Branch network (15% of the total reduced indirect costs), replacement of fluorescent lights by LED lighting in our Central Services Buildings (1% of the total reduced indirect costs) and replacement of 1,500 smart PCs (Energy Star) with a lower energy consumption in our Branch network in Spain (1% of the total reduced indirect costs).

**Cost to realize opportunity**

4992045

**Strategy to realize opportunity and explanation of cost calculation**

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. We annually revise our Environmental Declaration, which is public in our website, and we establish and monitor energy efficiency targets, among others. In this sense, several energy efficiency projects have been implemented in the past years, related to efficient lightning, automation and climatization. In 2019, CaixaBank implemented an automation project in its branch network to reduce electricity consumption, replaced fluorescent lightning for LED lightning in its Central Services Buildings, replaced 149 high-energy consumption air conditioning units for more efficient ones in the branch network in Spain, and acquired 1,500 energy efficient smart PC (Energy Star) also in the Branch Network. These projects achieved in 2019 an overall energy consumption reduction of 2,127 MWh. The cost of managing this opportunity is directly associated with the investment in energy efficiency measures, as well as the budget for the team, tools, and infrastructure needed to design and guide the implementation of some of the actions of the EMS. In 2019, the above-mentioned energy efficiency actions represented an investment of €4,992,045 (see question C4.3b for more detail), of which 49% corresponds to the replacement of 149 high-energy consumption air conditioning units, 30% to the acquisition of 1,500 energy efficient smart PC (Energy Star), 20% to the automation project and 1% to the replacement of fluorescent lightning for LED lightning.

**Comment**

Other methods to realize this opportunity include the implementation and improvement of CaixaBank's Environmental and Energy Policy, renewed in 2018. 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. Note: The lifetime of these initiatives ranges from 6-15 years.

**Identifier**

Opp2

**Where in the value chain does the opportunity occur?**

Downstream

**Opportunity type**

Markets

**Primary climate-related opportunity driver**

Increased diversification of financial assets (e.g., green bonds and infrastructure)

**Primary potential financial impact**

Increased diversification of financial assets

**Company-specific description**

This opportunity is associated to the increasing number of investors demanding for green bonds and the associated increased diversification of financial assets for CaixaBank. CaixaBank acknowledges the key role that financial institutions play in helping to mobilize capital for the transition to a low-carbon, resource-efficient, and inclusive economy, as well as the importance of meeting the UN Sustainable Development Goals (SDGs). As a result, in July 2019, the Board of Directors approved the bond issuance framework linked to CaixaBank's Sustainable Development Goals, including Green Bonds and aligned with the Sustainable Bond Principles, Green Bond Principles and Social Bond Principles. The framework envisages the issue of green bonds, although during 2019 none were issued. CaixaBank has been a signatory of the Green Bond Principles established by the International Capital Markets Association (ICMA) since 2015. Since then, the Bank has participated in the placement of green bonds for projects with a positive impact on climate. In 2019, CaixaBank participated in the placement of 4 green bond issues for investment in sustainable assets with a total volume of €2,550 million (€1,300 million in 2018). This opportunity allows CaixaBank to 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)**

2550000000

**Potential financial impact figure – minimum (currency)**

&lt;Not Applicable&gt;

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

#### Explanation of financial impact figure

The financial impact of this opportunity is related to CaixaBank's increased diversification of financial assets from issuing green bonds and from participating as green agents in the issuing of green loans. In 2019, CaixaBank participated in the placement of 4 green bond issues for investment in sustainable assets with a total volume of €2,550 million.

#### Cost to realize opportunity

63294

#### Strategy to realize opportunity and explanation of cost calculation

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. In July 2019, the Board of Directors approved the bond issuance framework linked to CaixaBank's Sustainable Development Goals, including Green Bonds and aligned with the Sustainable Bond Principles, Green Bond Principles and Social Bond Principles. The framework envisages the issue of green bonds, although during 2019 none were issued. 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 €63,294 a year, which is the average annual salary at CaixaBank in 2019.

#### Comment

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#### Identifier

Opp4

#### Where in the value chain does the opportunity occur?

Downstream

#### Opportunity type

Products and services

#### Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

#### Primary potential financial impact

Increased revenues resulting from increased demand for products and services

#### Company-specific description

This opportunity is associated to the increased revenues from environmentally sustainable credit transactions. 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 our retail segment and the Corporate&Wholesale segment. Main drivers are loans to finance the acquisition and construction of energy efficient real estate assets, the finance of Renewable Energy projects, loans indexed to ESG indices and environmentally sustainable consumer finance products, (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 been offering green products and services for many years now, such as the EcoFinancing (since 2013). In 2019, the Company granted a total of 505 loans for €10.2 million linked to EcoFinancing (compared to 451 loans for €6.7 million in 2018). Other green products and services that have experienced a growth in demand include the MicroBank Fondo Ecológico, also since 2013, as well as green loans, energy efficient real estate lending, and finance of renewable energy projects. All of these product lines have good growth potential which will probably be further boosted considering the sustainable finance initiatives launched by the EU Commission and banking supervisors and regulators. Overall, 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)

608700000

#### 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, we consider CaixaBank's total volume of environmentally sustainable activities in 2019, which was of €6,087 million. These account for around 4% of our portfolio (at 31 december 2019). Pending the approval of the EU Taxonomy, CaixaBank has calculated this value considering the following categories. Specifically, this value includes: -Financing energy-efficient properties: Operations for which there is documentary evidence of an energy efficiency certificate with A or B rating are considered environmentally sustainable. The promotions formalised in 2019 include operations for €938 million with A or B rating. -Renewable Energy (RE) projects (wind, photovoltaic, etc.): In 2019, we helped to finance 28 projects for a total of € 2,453 million, funding 8,322 MW of installed renewable power. CaixaBank's energy portfolio accounts for 51% of all project financing. Of these projects, 62% are RE projects. -Loans classified as "green" according to the Green Bond Principles (GBP) established by the International Capital Markets Association (ICMA): In 2019, CaixaBank was ranked 13th in the green loan market Global Mandated Lead Arranger, participating in 11 green loans for a volume of €1,737 million. All these loans obtained the Green Certificate, based on the criteria of the Green Loan Principles established by the ICMA. -Eco-loans for financing energy-efficient home refurbishment and the purchase of energy-efficient vehicles and domestic appliances and Eco-financing for the agricultural sector: CaixaBank has specific financing lines for buying environmentally-friendly vehicles and household appliances, investing in energy efficient housing, promoting investments to make resources more efficient and reduce their environmental impact. In 2019, the Company granted a total of 505 loans for €10.2 million linked to EcoFinancing. -Loans linked to sustainability indices: In 2019 CaixaBank gave 11 loans for a total of €919 million which were conditional upon recognition of good performance by the company regarding sustainability, measured according to ESG indicators applied by independent bodies. -EIB Climate Action Lines: The €30 million credit line agreement signed by CaixaBank with the European Investment Bank (EIB) to fund projects by SMEs, individuals, and the



public sector to combat climate change (especially electric vehicles, modifications to facilities and home improvements) is still in place.

**Cost to realize opportunity**

316470

**Strategy to realize opportunity and explanation of cost calculation**

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 (for 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. CaixaBank has specific products and credit lines for those companies with responsible conduct and ESG performance, which also widens CaixaBank's product portfolio. The cost of managing this opportunity has been estimated of €316,470 a year, considering the team of 5 FTE working in this business line and realization of this opportunity at CaixaBank and considering the average annual salary at CaixaBank in 2019 (€63,294). As explained, the total cost management has been obtained as follows: €63,294 \* 5 FTE = €316,470 .

**Comment**

**C3. Business Strategy**

**C3.1**

**(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?**

Yes, and we have developed a low-carbon transition plan

**C3.1a**

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

Yes, qualitative and quantitative

**C3.1b**

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

Climate-related scenarios and models applied	Details
REMIND	<p>CaixaBank joined the 2nd phase of the UNEP FI pilot in 2019 to promote the implementation of the TCFD recommendations of the FSB, with a focus on the analysis of physical and transition risk scenarios. Scenarios with the highest risk (2°C and 1.5°) were selected to evaluate the maximum impact on the portfolio. The model used is the REMIND developed by PIK (Potsdam Institute for Climate Impact Research). CaixaBank is prioritizing the analysis of Transition Risks in the Oil&amp;Gas and Power Utilities sectors, which are where the greatest potential risks are perceived, considering CaixaBank's current loan portfolio. We used the tool developed by Oliver Wyman, which analyses the transition risk by calculating the change in the expected loss of a sample of customers. To make this calculation we used: 1. Prediction of potential pathways for a set of agreed risk factors under a global warming scenario, coming from an external IAM model (REMIND). IAMs model alternative scenarios for changes in public policies and technologies over periods of 20-40 years to reach different levels of global warming and project possible pathways for the considered variables. Risk factor pathways are estimates of the average cost for the sector to transition to a decarbonized economy based on the chosen scenario. Estimates are made on 4 risk factors: Direct and indirect costs of emissions, low carbon CAPEX and revenues. 2. A sensitivity analysis of these 4 risk factors (heatmap) 3. The current credit risk variables of the customers analysed 4. An estimate of how the rating of these customers could evolve in 2025, 2030 and 2040 considering the transition risk, according to expert criteria We have covered a wide range of horizons that are relevant to our organization to obtain both a useful vision in relation to current credit decisions and a longer-term strategic vision for the Group. Areas considered as part of the analysis are the Risks area (Environmental Risk Management, Corporate Admission and Corporate Rating) and Strategy. Likewise, a qualitative analysis of transition risk for the Transportation and Construction sectors in the form of a sensitivity analysis (heatmap) has also been carried out. Results and influence in CaixaBank's objectives and strategy: we have engaged with some of the largest clients in this sector in order to contrast their decarbonisation strategies and other actions to mitigate the potential impact of transition risks on their activities. This ongoing assessment of climate risk in our portfolio will give us insight on setting objectives to align the portfolio to the Paris Agreement as per the Commitment to Climate Action. In relation to physical risks, the main potential risk is perceived in the Real Estate and agricultural portfolio due to their exposure to climatic events (abrupt and chronic, in the longer term). Tentatively, as the full study is yet to be finalised, the conclusions will be considered in the review of the risk appetite framework in relation to the sectors analysed (Oil&amp;Gas and Utilities). As additional sectors and customers are incorporated in the analysis, current strategies will be reviewed. Based on the foreseeable results, we will analyse whether we need to reconsider the longer terms in operations related to sectors that are most exposed to transition risks, among other possible measures. The complete results of this analysis will be published as a Case Study within the framework of the UNEP FI Project.</p>

**C3.1d**

(C3.1d) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	<p>One of most substantial strategic decisions made in this area to date that has been influenced by the climate-related R&amp;O is i) the development of the Environmental Strategy (an action line within our 2019-2021 Strategic Plan), which has driving sustainable business and measuring and managing environmental and climatic risk of the projects we finance as action lines; and ii) the publication of the Statement on climate change, approved by the Board of Directors on 2019, 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 has identified that climate change poses an opportunity to develop more low-emissions products but at the same time a risk associated to reduced revenues from reduced demand of products and services (as reported in C2.3a, Risk 3 and C2.4a, Opp 4). This area of our strategy has already been influenced by climate R&amp;O through the integration of environmental criteria into our products and services and portfolio and by developing green products and services in all segments of activity. Especially relevant are the retail segment and the Corporate&amp;Wholesale segment. For example, since 2013 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. For several years now, 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. Therefore, this area has already been impacted and we estimate that it will be even more impacted in the short and medium term (as defined in C2.1a) regarding our offer of green financial services, including green financing, green bonds and green funds. Product lines offered within the AgroBank brand of CaixaBank include environmentally sustainable products. Since 2020 energy efficiency certificates are requested for all Real Estate related transactions to collect relevant information to assess risks and to engage with our clients. The adherence to the Collective Commitment to Climate Action in 2019 is seen as well as an opportunity to engage with our clients to align the credit portfolio to the Paris Agreement.</p>
Supply chain and/or value chain	Yes	<p>One of the most climate related relevant issues identified by CaixaBank is associated to customer demand and supplier's management. The Risk Global Management area, Project Finance, Corporate and Institutional Banking and AgroBank are the most exposed areas related to companies financing, especially to the high energy consumers, energy, utilities, infrastructure and agricultural sectors. We have identified that policy changes regarding environmental regulations could affect our customers and their solvency/ability to pay. We have integrated this risk into our business strategy and planning when evaluating our value chain by implementing robust prevention measures in the model for admitting CaixaBank Group risk, requiring certain documentation as part of the due diligence process. One of most substantial strategic decisions made in this area is the approval by the Board of Directors in 2019 of CaixaBank's Environmental Risk Management Policy, that regulates the financing of certain companies and projects representing a potential ESG risk, including CC risks, establishing the requirements under which CaixaBank will not assume credit risk. For projects that need an investment higher than 7 EUR million CaixaBank follows the Equator Principles and therefore it is mandatory to define and adopt actions to reduce the magnitude and likelihood of this risk. Regarding our suppliers, CaixaBank annually collects information regarding CC aspects, e.g whether suppliers have the certification ISO 14001, or calculate their carbon footprint. One of most substantial strategic decisions made in this sense to date is the launch of CaixaBank's 2019-2021 Environmental Procurement Plan (included within our new Environmental Plan 2019-2021), so that environmental criteria is included in purchases and contracting services. As an 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, etc. We estimate this area will keep being impacted in the short to medium term (as defined in C2.1a): as an example, we plan to renew our Environmental Plan 2019-2021 when it expires and keep establishing targets regarding our engagement with suppliers, as well as extending our commitment to the rest of our value chain.</p>
Investment in R&D	Yes	<p>One of the most substantial strategic decisions made in this area to date, influenced by the climate-related R&amp;O, is setting-up a carbon-intensity metric in order to monitor and limit the carbon intensity of our aggregate exposure in accordance with our risk appetite. The metric was approved by CaixaBank's Global Risk Committee and has already been implemented. Since 2018, it has measured its lending exposure to economic activities considered to be linked to high CO2 emissions (energy and utilities industries, excluding renewables). We estimate this area will keep being impacted in the short to medium term (as defined in question C2.1a): Additional management metrics are currently being developed, as there is currently no specific regulation to carry out a common taxonomy for the banking sector to clearly define which activities are considered CO2 intensive, and neither a regulation that obliges companies to calculate their CO2 emissions homogeneously and to present their environmental strategy, controls and initiatives in a transparent way, so that the information available is heterogeneous. In addition, and as mentioned in row Products and services, CaixaBank has identified that climate change poses an opportunity to develop more low-emissions products and services, which requires investment in R&amp;D. CaixaBank's commitment to respecting the environment 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. This allows us to obtain more information on climate change so we can better manage the climate risks as a financial institution and work to develop new products with a lower environmental impact. Furthermore, in 2017 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. We estimate to continue with this line of financing in the short to medium term (as defined in C2.1a)</p>
Operations	Yes	<p>One of the opportunities identified by CaixaBank (as reported in C2.4a, Opp 1) is the reduced operational costs due to implementation of Voluntary Standards such as ISO14001, EMAS and ISO50001, established in CaixaBank since 2003, 2004 and 2017 respectively. These standards have helped us reduce our operational costs related to energy, water and paper consumption. 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, such as installation of more efficient LED lighting, implementation of automation projects, etc. The 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, among others. In addition, CaixaBank has been carbon neutral since 2018. One of most substantial strategic decisions made in this area to date that has been influenced by the climate-related R&amp;O is i) approval of the policy of having 100% of new energy contracts hired with renewable energy, which in reality means that currently over 99% of CaixaBank's energy is hired with green energy, which has helped reduce our scope 2 GHGs by 99% from 2009 to 2019; ii) the development and publication of the Environmental Strategy (an action line within our 2019-2021 Strategic Plan) and iii) the publication of the Statement on climate change, approved by the Board of Directors on 2019, which reaffirms our commitment and contribution to work towards a low-carbon economy by decreasing the direct impact of our operations. Also, we have 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 considered 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. We plan to renew our Environmental Strategy when it expires, so we estimate this area will keep being impacted in the short to long term (as defined in C2.1a).</p>

C3.1e

**(C3.1e) Describe where and how climate-related risks and opportunities have influenced your financial planning.**

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Indirect costs Capital expenditures Access to capital Liabilities	<p>CaixaBank group has seen an increase in revenues from our green products and services, as reported in Opp 4 (question C2.4a). Demand has grown in the last years, influencing our financial planning, and we estimate it will continue doing so in the future due to further increase in demand. CaixaBank has been offering green products and services for many years now, such as the EcoFinancing (since 2013), to make more loans available for agricultural projects related to energy efficiency and water use, organic farming, renewable energy, etc. In 2019, the Company granted a total of 505 loans for €10.2 million linked to EcoFinancing (compared to 451 loans for €6.7 million in 2018). Other green products and services that have experienced a growth in demand include the MicroBank Fondo Ecológico, also since 2013, as well as green loans, energy efficient real estate lending, and finance of renewable energy projects. In 2019, we helped to finance 28 projects for a total of €2,453 million, funding 8,322 MW of installed renewable power. We have financed renewable energy projects with over 32,000 MW of installed power since 2011. In addition, in 2019 we launched a new Socially Responsible Investment fund, CaixaBank Selección Futuro Sostenible, which will invest a minimum of 75% in collective investment institutions that follow sustainable investment criteria and are managed by companies of recognised international standing in the field of investment with ESG criteria: environmental, social and corporate governance, achieving a turnover of €136.1 million. Furthermore, CaixaBank has been a signatory of the Green Bond Principles established by the International Capital Markets Association (ICMA) since 2015. Since then, the Bank has participated in the placement of green bonds for projects with a positive impact on climate. In 2019, CaixaBank participated in the placement of 4 green bond issues for investment in sustainable assets with a total volume of €2,550 million (€1,300 million in 2018). In July 2019, the Board of Directors approved the bond issuance framework linked to CaixaBank's Sustainable Development Goals, including Green Bonds and aligned with the Sustainable Bond Principles, Green Bond Principles and Social Bond Principles. Although during 2019 none were issued, the framework envisages the issue of green bonds in the future. At VidaCaixa, we recently started to preliminary work on an assessment of Climate Value at Risk in order to assess the financial risk implied by both physical and Transition Climate risks. VidaCaixa also developed, jointly with CaixaBank, a risk metric of exposition to highly intensive issuers, that is monitored quarterly. On the other hand, for many years now CaixaBank has had a dedicated budget for energy efficiency and for emissions reduction activities, in the framework of the Environmental Management Plan within the Environmental Strategy of the Group. This has led to a reduction of our indirect operating costs, mainly associated to electricity. Within our new Environmental Management Plan 2019-2021, approved by the Board of Directors, there is an associated budget for energy efficiency and emission reduction actions, linked to several impact reduction objectives based on innovation and efficiency, priority lines of action and initiatives to foster good working practices. We estimate that this area will continue to be influenced, as we plan to renew our Environmental Management Plan in the future after the current one expires, so we estimate at least a short and medium term impact (as defined in question C2.1a) in this sense. Our current Environmental Management Plan has 5 lines of action: -Carbon Neutral Strategy: Minimising and offsetting all calculated CO<sub>2</sub> emissions. -Environmental efficiency measures and certifications: Minimising the bank's impact, implementing new energy saving measures and renewing certifications and environmental commitments. -Extending the environmental commitment to the value chain: Action plans for suppliers to assume our environmental values as their own and comply with the acquired commitments. -Driving sustainable mobility: Actions encouraging sustainable mobility to minimise the emissions of the company, staff and suppliers. -Commitment, transparency and engagement: Engagement actions with employees and reinforcing the commitment and public environmental information. Therefore, climate R&amp;O have already influenced several elements of our financing planning, and we estimate they will continue to influence our financing planning in the short- to long term (as defined in question C2.1a). Another example of future influence, specifically on capital expenditure: on top of the 11 Full time employees (FTEs) in 2020 of the Environmental Risk Management Corporate Direction dedicated to risk management and advisory with regards to climate-related risks, a dedicated Sustainable Finance Team (3 FTEs) was set up in 2020 to pursue business opportunities.</p>

C3.1f

**(C3.1f) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).**

- 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.
- The Environmental Risk Management Policy was approved by the Board of Directors in February 2019. The main subsidiaries (BPI, Vidacaixa and CaixaBank Asset Management) have approved their own policies, aligned with that of CaixaBank, taking into account the specific nature of their businesses.
- In December 2019, CaixaBank subscribed the UNEP FI Collective Commitment to Climate Action. According to this, CaixaBank committed to set targets to align its portfolio to the goals of the Paris Agreement by 2022.
- In 2019 CaixaBank issued its Climate Change Statement
- Regarding climate change risks (physical and transition), CaixaBank is prioritizing the analysis and quantification of Transition Risks in the Oil & Gas and Power Utilities sectors, which are where the greatest potential risks are perceived, taking into account CaixaBank's current loan portfolio. This work is carried out within the working group coordinated by UNEP FI (TCFD Banking Pilot Phase II). The result of the analysis carried out by CaixaBank will be published as a Case Study within the framework of the UNEP FI Project.
- In November 2019, CaixaBank joined the UNEP FI working group to draw up guidelines apply the EU taxonomy to banking products (High Level Recommendations for Banks on the application of the EU Taxonomy). In line with the draft of the European Union taxonomy (Taxonomy Technical Report – June 2019) operational and documentary criteria have already been established for the classification of operations in some sectors, including projects for renewable energy and the real estate sector.
- 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.
- Financing projects aimed at fostering the use of renewable energies. In 2019, we helped to finance 28 projects for a total of € 2,453 million, funding 8,322 MW of installed renewable power. Since 2011, CaixaBank has financed renewable energy projects with over 32,000 MW of installed power CaixaBank's portfolio exposure to the field of energy makes up 51% of its project financing. Of these, 62% are renewable energy projects.
- In 2019, CaixaBank participated in the placement of 4 green bond issues for investment in sustainable assets with a total volume of €2,550 million (€1,300 million in 2018).
- 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.
- In 2019, the 2019-2021 Environmental Management Plan was approved (after the 2016-2018 Plan), in line with the Bank's Environmental Strategy. Its main objective being to help minimise CaixaBank's environmental impact and enable it to comply with its environmental commitments and certifications.). It 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).
- Renewal of the Bank's Environmental and Energy Policy in 2018.
- Committing to have all its subsidiaries apply an environmental and energy policy and setting the ground requirements they must (at least) address.
- 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).

**C-FS3.2**

**(C-FS3.2) Are climate-related issues considered in the policy framework of your organization?**

Yes, both of the above

**C-FS3.2a**

**(C-FS3.2a) In which policies are climate-related issues integrated?**

	Type of policy	Portfolio coverage of policy	Description
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	Type of policy	Portfolio coverage of policy	Description
Bank lending (Bank)	Risk policy	All of the portfolio	In line with the Bank's strategic plan (2019-2021), the Board of Directors approved in 2019 the Environmental Risk Management (ERM) Policy, which establishes the criteria that are currently being implemented in the Bank's client onboarding and credit approval processes. The policy establishes general and sector-specific exclusions where CaixaBank will not assume credit risk, linked to activities that could have a significant impact on the environment and the climate. General exclusions apply to all clients, whereas sector specific exclusions affect certain activities in the sectors of Energy, Mining, Infrastructure and Agriculture, fishing, farming and forestry of the loan agreements included. Sector specific exclusions are reviewed for new lending arrangements and guarantees and the purchase of fixed-income securities, equity instruments and other similar securities in companies or groups whose consolidated turnover exceeds 50 million euros and where such arrangements involve Project financing and/or Long-term transactions (more than two years) where the amount exceeds 5 million euros (such as syndicated credit facilities, loans and guarantees). In the credit approval process, we use an Environmental Risk Assessment questionnaire to assess the following questions during the client onboarding (Due Diligence): i) compliance with CaixaBank's Environmental Risk Management Policy (in terms of general and sector specific exclusions); ii) Environmental risk, based on the activity, ESG management, sanctions, etc. and iii) GHG emissions. The questionnaire is reviewed on a yearly basis. Based on the questionnaire an environmental risk assessment is generated (5 environmental risk categories). In addition to the client questionnaire, during the credit approval process, the specific transactions are assessed as well in accordance with the Environmental Risk Management Policy. The Policy has already been adapted to the entire CaixaBank Group (the main subsidiaries, BPI, VidaCaixa and CaixaBank Asset Management have approved their own policies, aligned with that of CaixaBank, taking into account the specific nature of their businesses). The general principles of the ERM Policy apply to the whole CaixaBank assets (100%). The sector specific exclusions apply only to corporate and business client exposures representing approx. 21% of Exposure at Default as at December 2019 (as per Pillar 3 disclosure). We consider that the policy reasonably covers the environmental and climate risks of our credit portfolio. Furthermore, CaixaBank has planned to review the Environmental Risk Management Policy during 2020 in order to include more specifically climate related risks and opportunities in accordance with the deployment of CaixaBank's Environmental and Climate Risk Management Roadmap 2019-2021 and to consider recent regulatory and supervisory guidelines and expectations, including the European Banking Authority (EBA) Guidelines on loan origination and monitoring and the European Central Bank (ECB) Guide on climate-related and environmental risks. The ERM is public and published on CaixaBank's corporate website.
Investing (Asset manager)	Risk policy Sustainable/Responsible Investment Policy Proxy voting policy	Majority of the portfolio	As result of our adherence to the Principles for Responsible Investment in 2016, a Socially Responsible Investment Committee ("SRI Committee") was created and a Socially Responsible Investment (SRI) Policy was approved by CaixaBank's Board of Directors in March 2017. To develop our investment solutions, we employ professionals who are familiar with the latest concerns and trends in relation to the environment, among others, to offer investments that provide profitability at all levels and reflect the Principles for Responsible Investment. The SRI committee will express its opinion on the issues relating to ESG criteria so that they are considered in investment decisions that may affect investors' portfolios. These refers to all criteria included in the policy, ranging from the mining and energy sector to the extraction and generation of energy through thermal coal and oil sands. The SRI Committee is opposed to investing companies or states where practices are carried out that violate international treaties such as the United Nations Global Compact to which the Management Company is a signatory. The inclusion of ESG criteria in the management of investments is coherent with the establishment of criteria to exclude certain assets from the investment portfolio if appropriate, for example, CaixaBank Asset Management does not invest in companies whose coal extraction activities exceeds 50% of the turnover. The ESG assessment is applied to equity and fixed income securities listed for trading on regulated markets, in addition to shares and units of collective investment institutions of other management companies in which the investment funds managed by the Management Company invest. The scope of the ESG assessment will be gradually extended to all portfolio assets, and the Management Company will select the criteria, methodology, procedures and instruments used to meet this target through the SRI Committee. The SRI Policy covers 85.3% of our portfolio. This percentage has been determined by analysing the ESG approximation (exclusions, positive and negative screening, engagement, proxy voting, etc.) that we apply by asset type. Regarding our Proxy voting policy, we have established a policy of engagement defined with the support of a Voting Advisor (ISS - Proxy Voting Services) and for this purpose the "guidelines" or voting recommendations outlined in the "Sustainability Policy" option defined by said Advisor for UNPRI signatories are assumed by default (see annex) Voting must be exercised on points that relate to Environmental, Social or Governance (ESG) matters: supporting, among others, shareholder proposals for the disclosure of ESG criteria or international standards/codes of conduct. The list of matters to be voted on and the decision on the direction of the vote will be adopted following the voting recommendations of a Voting Advisor we have hired and in particular their "Sustainability Policy" guide; always with complete independence and objectivity with respect to the CaixaBank Group and for the exclusive benefit of investors. In addition, and as one of the subsidiaries of CaixaBank's Group, CaixaBank's Environmental Risk Management (ERM) Policy (described in the previous Bank lending's row) has been adapted to CaixaBank Asset Management's business model. The policies are publicly available.
Investing (Asset owner)	Risk policy Engagement policy Sustainable/Responsible Investment Policy Proxy voting policy	All of the portfolio	The integration of environmental, social and corporate governance (ESG) aspects into investment management is carried out at VidaCaixa in accordance with the United Nations Principles for Responsible Investment (PRI), to which it has been a signatory since 2009. VidaCaixa's SRI Policy covers 100% of its portfolio (all types of assets). VidaCaixa's commitment to the PRI extends to all of its investments and is subject to continuous improvement. To ensure this compliance, VidaCaixa uses all measures at its disposal and also counts on the support of suppliers specialising in ESG methodologies and data so that it can incorporate into its management the latest principles, procedures and best practices in the sector worldwide, which ensure that investments are analysed from an environmental, social and corporate governance perspective. When implementing its policies on how to act in relation to the defence and management of environmental risks, sectoral exclusion mechanisms are established for investments. Beyond these exclusions, VidaCaixa applies active ownership management through exercising engagement and proxy voting rules. The goal of this active ownership is for the companies in which it invests not only to comply with the ESG principles, but also to improve their sustainability practices. In order to guarantee the governance and excellent management of SRI, VidaCaixa has a department dedicated exclusively to this matter, which is part of the investment area and coordinates SRI across the entire Company. The results of the SRI management are reported to the Investment Committee, a forum that includes VidaCaixa's most senior executives and investment directors from VidaCaixa and CaixaBank. The Company also participates in the Group's Corporate Responsibility and Reputation Committee, where the main management indicators on SRI and reputational risk management are reported internally. VidaCaixa also participates in working groups and organises meetings with customers and unions to assess progress in SRI management and promote its expansion. The integration of SRI into VidaCaixa's investment strategy involves a dual approach: integrating the ESG principles into the construction of investment portfolios and improving the ESG positioning of companies in the portfolio. Before investing in a company and if it does eventually form part of its investments, VidaCaixa applies sustainability principles based on the assessment of compliance with the main international treaties and the establishment of exclusions in accordance with its Defence Policy and its Environmental Risk Management Policy. In this sense, as one of the subsidiaries of CaixaBank's Group, CaixaBank's Environmental Risk Management (ERM) Policy (described in the previous Bank lending's row) has been adapted to VidaCaixa's business model (where Agriculture, fishing, livestock & forestry sector exclusions do not apply for VidaCaixa). In this regard, the Company does not invest in the following sectors: biological weapons, chemical weapons, antipersonnel mines and cluster bombs. Nor does it invest in companies that have a significant exposure to thermal coal and tar sands. If an asset passes the exclusion principles, the analysis is carried out from both a financial and an ESG viewpoint, including environmental and climate-related criterion, based on which the investment decision is made. To perform this analysis, VidaCaixa uses data from suppliers specialising in ESG issues. For example, in the Due Diligence practices for investment funds we ask whether they have an environmental policy and management system in place. Regarding direct investments, as part of the ESG analysis, we consider the carbon intensity (scope 1 and 2) of an issuer. For companies, we also check their exposure to thermic coal and tar sands since it's an exclusion criterion, based on the Group's Environmental risk policy. As a manager of Pension Funds, VidaCaixa has fiduciary obligation for the investments it makes for its customers in the individual segment. For this reason, the ESG principles also apply to indirect investments, that is, when making the decision to invest in an investment fund. This analysis uses both ESG data collected in the due diligence processes carried out with external fund managers and data from specialised suppliers. Based on that, the suitability of investing in the fund is finally assessed. VidaCaixa has continued to progressively improve the use of active ownership by implementing its engagement and proxy voting rules so that the companies in which it invests do not breach the ESG principles. As a new feature in 2019, the Company has developed its voting strategy at the General Shareholders' Meetings of the companies in which it invests, integrating ESG considerations in order to improve the governance and sustainability practices of these organisations. The policies are publicly available.
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Other, please specify (Not applicable)	All of the portfolio	The main financial products and services offered by CaixaBank Group are already included in the previous organizational activities/portfolios, thus this category is not applicable for us.



**(C-FS3.2b) Describe your exclusion policies related to industries and/or activities exposed or contributing to climate-related risks.**

Type of exclusion policy	Portfolio	Application	Description
All fossil fuels	Bank lending Investing (Asset manager) Investing (Asset owner)	New business/investment for new projects	The Board of Directors approved an Environmental Risk Management (ERM) Policy in 2019 that regulates the financing of certain companies and projects representing a potential ESG risk in some sectors. This policy excludes any pre-existing activities or customers. It governs the admission and acceptance of new lending arrangements and guarantees and the purchase of fixed-income securities, equity instruments and other similar securities in companies or groups whose consolidated turnover exceeds 50 million euros and where such arrangements involve: 1. Project financing and 2. Long-term transactions (more than two years) where the amount exceeds 5 million euros (such as syndicated credit facilities, loans and guarantees). As general exclusions related to climate, CaixaBank announces its intention not to finance transactions (regardless of the sector, amount, term and purpose of the financing) with a significant environmental impact, when the company concerned fails to provide enough information on its environmental risk mitigation policy during the due diligence process. Industry specific exclusions (some examples) CaixaBank will assume no credit risk in new projects/companies: -Mining: involving the mining of coal and companies at which coal extraction accounts for >40% of their revenue. - Energy: Involving oil and gas exploration or production in the arctic region; or extraction through fracking; construction, development or expansion of coal-fired power plants; construction, development or expansion of nuclear power plants or uranium enrichment facilities; and companies where coal-fired power generation accounts for >40% of their revenue. -Infrastructure: involving the construction of oil pipelines where there is strong evidence that a significant % of the oil to be transported will have come from bituminous sands; -Agriculture, fishing, livestock&forestry: directly related to land clearing by burning. As our ERM policy was approved in 2019, the impact it has had on our exposure to the subject of the policy will be assessed in the following months. VidaCaixa's ERM, aligned with CaixaBank's ERM, does not invest in companies with a significant exposure to thermal coal and tar sands (40% of the company's revenue) nor in the sectors biological and chemical weapons, antipersonnel mines and cluster bombs. CaixaBank Asset Management's ERM, aligned with CaixaBank's ERM, does not invest in companies whose coal extraction activities exceeds 50% of the revenue

**C-FS3.3**

**(C-FS3.3) Are climate-related issues factored into your external asset manager selection process?**

Yes, for some assets managed externally

**C-FS3.3a**

**(C-FS3.3a) How are climate-related issues factored into your external asset manager selection process?**

	Process for factoring climate-related issues into external asset manager selection	Comment
Row 1	Preference for asset managers with an offering of low-carbon products Assessment of asset manager's climate-related performance (e.g. active ownership, proxy voting records, underweighting in high impact activities) Other, please specify (Due diligence)	VidaCaixa: In the Due Diligence that is sent to external managers before investing in a fund, they are asked details about their ESG strategy, and climate change is an aspect that is usually covered in policies. For example, in the Due Diligence practices for investment funds we ask whether they have an environmental policy and management system in place. Regarding direct investments, as part of the ESG analysis, we consider the carbon intensity (scope 1 and 2) of an issuer. For companies, we also check their exposure to thermal coal and tar sands since it's an exclusion criterion, based on the Group's Environmental risk policy. At our Employee Pension Plan (PC30), we have established CO2 intensity reduction targets. This means that the CO2 intensity of the third-party funds in which VidaCaixa invests is analysed, and under equal conditions, funds with a lower CO2 intensity are favoured. CaixaBank Asset Management: The Open Architecture selection team has a specific selection process for third-party funds on SRI issues, with a specific due diligence, where one of the criteria considered is if the Manager has signed the PRIs. For our new SRI Fund in 2019, CaixaBank Selección Futuro Sostenible, climate-related challenges are taken into account, such as optimization of resources (water, wood, smart materials, energy efficiency), climate change (protection of the environment, fight against climate change, green bonds) or energy transition (renewable energy, sustainable mobility, smart buildings). This fund will invest a minimum of 75% in collective investment institutions that follow sustainable investment criteria and are managed by companies of recognised international standing in the field of investment with ESG criteria: environmental, social and corporate governance.

**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

**Year target was set**

2010

**Target coverage**

Company-wide

**Scope(s) (or Scope 3 category)**

Scope 1+2 (market-based)

**Base year**

2009

**Covered emissions in base year (metric tons CO2e)**

72533

**Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)**

100

**Target year**

2040

**Targeted reduction from base year (%)**

50

**Covered emissions in target year (metric tons CO2e) [auto-calculated]**

36266.5

**Covered emissions in reporting year (metric tons CO2e)**

5925

**% of target achieved [auto-calculated]**

183.662608743606

**Target status in reporting year**

Underway

**Is this a science-based target?**

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

**Please explain (including target coverage)**

This long-term 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 2019, for example, 99,31% 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 scope 1+ 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 2019-2021 (updated plan from the 2016-2018 Environmental Plan reported last year), CaixaBank's goal is to maintain this target beyond 2019 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. This is not a Science based target since CaixaBank is a financial institution and this initiative is not yet able to assess this kind of targets, as there is no methodology available for this sector yet.

**Target reference number**

Abs 1

**Year target was set**

2010

**Target coverage**

Company-wide

**Scope(s) (or Scope 3 category)**

Scope 1+2 (market-based)

**Base year**

2009

**Covered emissions in base year (metric tons CO2e)**

72533

**Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)**

100

**Target year**

2025

**Targeted reduction from base year (%)**

29

**Covered emissions in target year (metric tons CO2e) [auto-calculated]**

51498.43

**Covered emissions in reporting year (metric tons CO2e)**

5925

**% of target achieved [auto-calculated]**

316.659670247597

**Target status in reporting year**

Underway

**Is this a science-based target?**

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

**Please explain (including target coverage)**

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 2019, for example, 99,31% 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 29% of the emissions in scope 1+ 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 2019-2021 (updated plan from the 2016-2018 Environmental Plan reported last year), CaixaBank's goal is to maintain this target beyond 2019 once it has been achieved and commits 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. This is not a Science based target since CaixaBank is a financial institution and this initiative is not yet able to assess this kind of targets, as there is no methodology available for this sector yet.

**Target reference number**

Abs 3

**Year target was set**

2016

**Target coverage**

Company-wide

**Scope(s) (or Scope 3 category)**

Scope 3: Purchased goods &amp; services

**Base year**

2016

**Covered emissions in base year (metric tons CO2e)**

8313

**Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)**

75

**Target year**

2020

**Targeted reduction from base year (%)**

15

**Covered emissions in target year (metric tons CO2e) [auto-calculated]**

7066.05

**Covered emissions in reporting year (metric tons CO2e)**

4141

**% of target achieved [auto-calculated]**

334.576366333855

**Target status in reporting year**

Underway

**Is this a science-based target?**

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

**Please explain (including target coverage)**

This target covers more than 75% of this scope 3.1: Purchased goods & services, 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. 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 50% from 2016 to 2019. This is not a Science based target since CaixaBank is a financial institution and this initiative is not yet able to assess this kind of targets, as there is no methodology available for this sector yet.

**C4.2****(C4.2) Did you have any other climate-related targets that were active in the reporting year?**

Target(s) to increase low-carbon energy consumption or production

**C4.2a**

**(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.**

**Target reference number**

Low 1

**Year target was set**

2010

**Target coverage**

Company-wide

**Target type: absolute or intensity**

Absolute

**Target type: energy carrier**

Electricity

**Target type: activity**

Consumption

**Target type: energy source**

Renewable energy source(s) only

**Metric (target numerator if reporting an intensity target)**

Percentage

**Target denominator (intensity targets only)**

<Not Applicable>

**Base year**

2009

**Figure or percentage in base year**

0

**Target year**

2040

**Figure or percentage in target year**

100

**Figure or percentage in reporting year**

99.31

**% of target achieved [auto-calculated]**

99.31

**Target status in reporting year**

Underway

**Is this target part of an emissions target?**

This target is part of our absolute Scope 1+2 emissions reduction targets Abs1 and Abs 2.

**Is this target part of an overarching initiative?**

RE100

**Please explain (including target coverage)**

Renewable electricity consumption target: CaixaBank has a policy and a target of having 100% of new energy contracts hired with renewable energy. In reality, this 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 2019, CaixaBank purchased 150,643.084 MWh of guarantees of origin to cover 100% of the electricity consumption at the Central Services and 99.24% of the electricity consumption in the Branch Network (mainly from the supplier company Naturgy through a certificate from the CNE, Comisión Nacional de Energía, the national energy commission of Spain). Overall, 99.31% of the energy consumed in 2019 was from renewable sources. In 2016, after the Paris agreements and in order to keep pursuing efforts to reduce greenhouse gas emissions and limit the temperature increase as well as to make a long-term commitment, the target year was extended to 2040. This target is part of our absolute Scope 1+2 emissions reduction targets Abs1 and Abs 2.

**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	0	0
To be implemented*	1	3
Implementation commenced*	2	3
Implemented*	9	2820
Not to be implemented	0	0

C4.3b

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

**Initiative category & Initiative type**

Transportation	Company fleet vehicle replacement
----------------	-----------------------------------

**Estimated annual CO2e savings (metric tonnes CO2e)**

66.7

**Scope(s)**

Scope 1

**Voluntary/Mandatory**

Voluntary

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

26369

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

0

**Payback period**

No payback

**Estimated lifetime of the initiative**

11-15 years

**Comment**

Diesel emissions linked to the renting car fleet at the Branch network decreased by almost 55 tones. This reduction is associated to the incorporation of 41 hybrid vehicles in the current fleet, replacing diesel vehicles and achieving a 10% hybrid car fleet in the Branch Network. In addition, petrol emissions linked to the renting car fleet at the Corporative Center in Barcelona decreased by 50%, partly associated to: a) 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. through which environmental awareness messages are sent to employees to reduce the impact caused by trips; b) Employee awareness through the travel self-reservation tool, which reports on CO2 emissions associated with travel. Investment is 0 as the new hybrid cars acquired are slightly cheaper than the previous diesel cars.

**Initiative category & Initiative type**

Energy efficiency in buildings	Heating, Ventilation and Air Conditioning (HVAC)
--------------------------------	--

**Estimated annual CO2e savings (metric tonnes CO2e)**

208.46

**Scope(s)**

Scope 1

Scope 2 (market-based)

**Voluntary/Mandatory**

Voluntary

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

128534

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

2497309

**Payback period**

16-20 years

**Estimated lifetime of the initiative**

11-15 years

**Comment**

In 2019, 149 high-consumption air conditioning equipment were replaced in the offices of the branch network (BN), achieving a reduction in electricity of 485.000 kwh as well as avoiding the recharge of the R-23 gas, a refrigerant gas with a high GWP. In addition, in 2019 we replaced fluorescent lights by LED lighting in our Central Services Buildings, achieving a reduction of 66,079 kWh in 2019.

**Initiative category & Initiative type**

Energy efficiency in production processes	Automation
---	------------

**Estimated annual CO2e savings (metric tonnes CO2e)**

4.75

**Scope(s)**

Scope 2 (market-based)

**Voluntary/Mandatory**

Voluntary

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

657617

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

2494736

**Payback period**

4-10 years

**Estimated lifetime of the initiative**

6-10 years

**Comment**

During 2019, we started to implement an automation project in our Branch network, which aims to: - Improve employee and customer comfort through automation control. - Possibility of performing predictive maintenance to anticipate possible incidents. - Energy saving based on facility management, acting on the total consumption of the office. In total, 91 offices and 15 singular buildings were monitored, and automated management was applied in 121 Store offices in 2019. This allowed for a reduction of 1,515,127 kwh in 2019. In addition, in our Branch Network offices we also replaced 1,500 smart PCs (Energy Star) with a lower estimated energy consumption of 25% with respect to the older PCs, achieving a reduction of approximately 61,200 kwh.

**Initiative category & Initiative type**

Waste reduction and material circularity	Waste reduction
--	-----------------

**Estimated annual CO2e savings (metric tonnes CO2e)**

51

**Scope(s)**

Scope 3

**Voluntary/Mandatory**

Voluntary

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

68400

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

3000

**Payback period**

&lt;1 year

**Estimated lifetime of the initiative**

6-10 years

**Comment**

Reduction of waste generation (plastic, toner, fluorescents among others). During 2019, awareness campaigns have continued to help employees get to know not only in which container each waste is collected, but also how to try to minimize its generation. One of the objectives set for 2019 has been to reduce the use of single-use plastics in the cafeteria, in order to reduce the volume of waste from this material. Thus, plastic cutlery and plastic containers have been replaced by biodegradable material and glass containers. This initiative has led to a 25% reduction in the volume of plastic waste generation in the cafeteria in 2019 at Central Services. In addition, 684 units of toner waste have been reduced compared to 2018.

**Initiative category & Initiative type**

Company policy or behavioral change	Resource efficiency
-------------------------------------	---------------------

**Estimated annual CO2e savings (metric tonnes CO2e)**

1568

**Scope(s)**

Scope 3

**Voluntary/Mandatory**

Voluntary

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

362894

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

0

**Payback period**

No payback

**Estimated lifetime of the initiative**

1-2 years

**Comment**

Reduction of paper consumption (A4 paper, deliveries to customers, envelopes free deposits, no printed receipts), as a result of several actions: a) Digitalization of 100% of the contracts; b) Installation of 1,500 new smart PCs; c) Optimization and saving measures in ATMs and deliveries to clients; d) Environmental awareness. 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 category & Initiative type**



Transportation	Other, please specify (Sustainable Mobility Plan)
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**Estimated annual CO2e savings (metric tonnes CO2e)**

921

**Scope(s)**

Scope 3

**Voluntary/Mandatory**

Voluntary

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

0

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

5650

**Payback period**

No payback

**Estimated lifetime of the initiative**

3-5 years

**Comment**

Within the Environmental Plan 2019-2021, CaixaBank developed a Sustainable Mobility Plan to encourage the adoption of low-emission transport and travel reduction practices. Some of the actions include the promotion of teleworking, electric vehicle charging points; private bicycle parking and scooters, and many others. The emissions savings are associated to a reduction of distance travelled in business travel, increase in employee's teleworking, among others.

**C4.3c**

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

Method	Comment
Dedicated budget for energy efficiency	In the framework of the new Environmental Management Plan 2019-2021, within the Environmental Strategy of the Group and approved by the Board of Directors, there is an associated budget for energy efficiency and emission reduction actions, linked to several impact reduction objectives based on innovation and efficiency, priority lines of action and initiatives to foster good working practices. This Plan has 5 lines of action: -Carbon Neutral Strategy: Minimising and offsetting all calculated CO <sub>2</sub> emissions. -Environmental efficiency measures and certifications: Minimising the bank's impact, implementing new energy saving measures and renewing certifications and environmental commitments. -Extending the environmental commitment to the value chain: Action plans for suppliers to assume our environmental values as their own and comply with the acquired commitments. -Driving sustainable mobility: Actions encouraging sustainable mobility to minimise the emissions of the company, staff and suppliers. -Commitment, transparency and engagement: Engagement actions with employees and reinforcing the commitment and public environmental information.
Dedicated budget for other emissions reduction activities	In the framework of the new Environmental Management Plan 2019-2021, within the Environmental Strategy of the Group and approved by the Board of Directors, there is an associated budget for energy efficiency and emission reduction actions, linked to several impact reduction objectives based on innovation and efficiency, priority lines of action and initiatives to foster good working practices. This Plan has 5 lines of action: -Carbon Neutral Strategy: Minimising and offsetting all calculated CO <sub>2</sub> emissions. -Environmental efficiency measures and certifications: Minimising the bank's impact, implementing new energy saving measures and renewing certifications and environmental commitments. -Extending the environmental commitment to the value chain: Action plans for suppliers to assume our environmental values as their own and comply with the acquired commitments. -Driving sustainable mobility: Actions encouraging sustainable mobility to minimise the emissions of the company, staff and suppliers. -Commitment, transparency and engagement: Engagement actions with employees and reinforcing the commitment and public environmental information.
Employee engagement	Within the Environmental Management Plan (2019-2021) and the Environmental Management System of CaixaBank, 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 is included, 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, employee engagement is 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 CO <sub>2</sub> 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. The most relevant segments were the bank has this kind of products are Corporate & Wholesale and Retail Banking. Pending the approval of the European Union Taxonomy of environmentally sustainable activities, CaixaBank currently considers the following categories: • Financing energy-efficient properties • Renewable Energy projects (wind, photovoltaic, thermosolar, etc.). • Loans classified as "green" according to the Green Bond Principles (GBP) established by the International Capital Markets Association (ICMA) • Eco-loans for financing energy-efficient home refurbishment and the purchase of energy-efficient vehicles and domestic appliances • Eco-financing for the agricultural sector • Financing for the installation of solar panels on buildings • Loans linked to sustainability indices • EIB Climate Action Lines • Financing eligible within the framework of the bond issue linked to CaixaBank's Sustainable Development Goals.

**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**

The EU Taxonomy for environmentally sustainable economic activities

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

4

**% of total portfolio value**

4

**Asset classes/ product types**

Bank lending	Other, please specify (Several asset classes/product types are included in this question: Corporate Loans, Commercial Loans, Retail Loans, Residential Mortgages and Project Finance)
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**Comment**

Pending the approval of the EU Taxonomy of environmentally sustainable activities, CaixaBank currently considers the following categories: -Financing energy-efficient properties: Operations for which there is documentary evidence of an energy efficiency certificate with A or B rating are considered environmentally sustainable. The promotions formalised in 2019 include operations for €938 million with A or B rating. -Renewable Energy projects (wind, photovoltaic...): In 2019, we helped finance 28 projects for a total of € 2,453 million, funding 8,322 MW of installed renewable power. CaixaBank's energy portfolio accounts for 51% of all project financing, of these projects 62% are renewable energy projects. -Loans classified as "green" according to Green Bond Principles established by the International Capital Markets Association: In 2019, CaixaBank was ranked 13th in the green loan market Global Mandated Lead Arranger, participating in 11 green loans for a volume of US\$1,546 million. All these loans obtained the Green Certificate based on the criteria of the Green Loan Principles established by the ICMA. -Eco-loans for financing energy-efficient home refurbishment and the purchase of energy-efficient vehicles and domestic appliances and Eco-financing for the agricultural sector: CaixaBank has specific financing lines for buying environmentally-friendly vehicles and household appliances, investing in energy efficient housing, promoting investments to make resources more efficient and reduce their environmental impact. In 2019 the Company granted a total of 505 loans for €10.2 million linked to EcoFinancing. -Loans linked to sustainability indices: In 2019 CaixaBank gave 11 loans for a total of €919 million which were conditional upon recognition of good performance by the company regarding sustainability, measured according to ESG indicators applied by independent bodies. -EIB Climate Action Lines: The €30 million credit line agreement signed by CaixaBank with the European Investment Bank in 2018 to fund projects by SMEs, individuals, and the public sector to combat climate change (especially electric vehicles, modifications to facilities and home improvements) is still in place. \*Please note that the 33% reported for 2018 was misreported by error as the numerator included the low-carbon products financed instead of the interest margin of those products.

**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 2019 CaixaBank details and analyses the evolution of its carbon footprint following the ISO 14064-1. The base year (2009) and subsequent years (2010-2019) 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 2009-2019 does not include any organizational changes but includes a change in the methodology (emission factor of CaixaBank's Central Services vehicles) and the electricity consumption has been updated for the years 2017 and 2018. CaixaBank recalculates and verifies 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 2019 CaixaBank details and analyses the evolution of its carbon footprint following the ISO 14064-1. The base year (2009) and subsequent years (2010-2019) 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 2009-2019 does not include any organizational changes but includes a change in the methodology (emission factor of CaixaBank's Central Services vehicles) and the electricity consumption has been updated for the years 2017 and 2018. CaixaBank recalculates and verifies the base year and subsequent years, restating the historical data, to ensure that it reflects the current organizational and operational boundaries.

**C5.2**

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

ISO 14064-1

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

**C6. Emissions data**

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**C6.1**

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**(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)**

5511

**Start date**

January 1 2019

**End date**

December 31 2019

**Comment**

As every year, in 2019 CaixaBank details and analyses the evolution of its carbon footprint following the ISO 14064-1. The base year (2009) and subsequent years (2010-2019) 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 2009-2019 does not include any organizational changes but includes a change in the methodology (emission factor of CaixaBank's Central Services vehicles) and the electricity consumption has been updated for the years 2017 and 2018. CaixaBank recalculates and verifies the base year and subsequent years, restating the historical data, to ensure that it reflects the current organizational and operational boundaries.

**Past year 1**

**Gross global Scope 1 emissions (metric tons CO2e)**

8576

**Start date**

January 1 2018

**End date**

December 31 2018

**Comment**

As every year, in 2019 CaixaBank details and analyses the evolution of its carbon footprint following the ISO 14064-1. The base year (2009) and subsequent years (2010-2019) 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 2009-2019 does not include any organizational changes but includes a change in the methodology (emission factor of CaixaBank's Central Services vehicles) and the electricity consumption has been updated for the years 2017 and 2018. CaixaBank recalculates and verifies the base year and subsequent years, restating the historical data, to ensure that it reflects the current organizational and operational boundaries.

**C6.2**

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**(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**

We are reporting both a location-based figure and a market-based figure.

**C6.3**

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

**Reporting year**

**Scope 2, location-based**

47024

**Scope 2, market-based (if applicable)**

414

**Start date**

January 1 2019

**End date**

December 31 2019

**Comment**

As every year, in 2019 CaixaBank details and analyses the evolution of its carbon footprint following the ISO 14064-1. The base year (2009) and subsequent years (2010-2019) 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 2009-2019 does not include any organizational changes but includes a change in the methodology (emission factor of CaixaBank's Central Services vehicles) and the electricity consumption has been updated for the years 2017 and 2018. CaixaBank recalculates and verifies the base year and subsequent years, restating the historical data, to ensure that it reflects the current organizational and operational boundaries.

**Past year 1**

**Scope 2, location-based**

65275

**Scope 2, market-based (if applicable)**

404

**Start date**

January 1 2018

**End date**

December 31 2018

**Comment**

As every year, in 2019 CaixaBank details and analyses the evolution of its carbon footprint following the ISO 14064-1. The base year (2009) and subsequent years (2010-2019) 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 2009-2019 does not include any organizational changes but includes a change in the methodology (emission factor of CaixaBank's Central Services vehicles) and the electricity consumption has been updated for the years 2017 and 2018. CaixaBank recalculates and verifies the base year and subsequent years, restating the historical data, to ensure that it reflects the current organizational and operational boundaries.

**C6.4**

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**(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**

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

**Purchased goods and services**

**Evaluation status**

Relevant, calculated

**Metric tonnes CO2e**

4141

**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.

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

**Please explain**

## Capital goods

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

2448

### 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 lifetime 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

#### Please explain

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

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

80

### 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

#### Please explain

## 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>

#### Please explain

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

88

### Emissions calculation methodology

Waste generated in operations refers to all the waste produced by CaixaBank's Central Services (This data is provided by the environmental management team). In 2019, 25 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

#### Please explain



## Business travel

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

8327

### 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 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

### Please explain

## Employee commuting

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

865

### 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 2019 was of 1.544 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

### Please explain

## 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>

### Please explain

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>

### Please explain

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 CO<sub>2</sub>e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

### Please explain

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 CO<sub>2</sub>e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

### Please explain

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 CO<sub>2</sub>e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

### Please explain

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 CO<sub>2</sub>e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

### Please explain

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 CO<sub>2</sub>e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

### Please explain

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

**Please explain**

**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>

**Please explain**

C6.10

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**(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**

9.2e-9

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)**

5925

**Metric denominator**

unit total revenue

**Metric denominator: Unit total**

64440800000

**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 34% reduction in our scope 1+2 emissions from 2018 to 2019. 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 in 2019 to reduce scope 1 emissions in CaixaBank, such as the replacement of 149 high-consumption air conditioning equipment in the offices of our branch network (BN), avoiding the recharge of the R-23 gas, a refrigerant gas with a high GWP, and thus achieving a reduction of emissions. Other scope 1 emission reduction actions include the incorporation of 41 hybrid vehicles in our renting vehicle fleet, replacing more emitting diesel vehicles. In addition, petrol emissions linked to the renting car fleet at the Corporative Center in Barcelona decreased by 50%, partly associated to awareness carried out through CaixaBank's Portal Comunica-t, a communication tool through which environmental awareness messages are sent to employees to reduce the impact caused by trips, among others actions. The decrease of this intensity figure is also partly due to a 5% increase the total revenue of CaixaBank from 2018 to 2019.

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**Intensity figure**

0.207817638

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)**

5925

**Metric denominator**

full time equivalent (FTE) employee

**Metric denominator: Unit total**

29383

**Scope 2 figure used**

Market-based

**% change from previous year**

32

**Direction of change**

Decreased

**Reason for change**

This intensity figure has decreased by 32% compared to last year mainly as a result of the 34% reduction in our scope 1+2 emissions from 2018 to 2019. 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 in 2019 to reduce scope 1 emissions in CaixaBank, such as the replacement of 149 high-consumption air conditioning equipment in the offices of our branch network (BN), avoiding the recharge of the R-23 gas, a refrigerant gas with a high GWP, and thus achieving a reduction of emissions. Other scope 1 emission reduction actions include the incorporation of 41 hybrid vehicles in our renting vehicle fleet, replacing more emitting diesel vehicles. In addition, petrol emissions linked to the renting car fleet at the Corporative Center in Barcelona decreased by 50%, partly associated to awareness carried out through CaixaBank's Portal Comunica-t, a communication tool through which environmental awareness messages are sent to employees to reduce the impact caused by trips, among others actions. Note: Due to a slight modification of the FTE value for 2018, the restated intensity figure for 2018 is 0,305611076.

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## C7. Emissions breakdowns

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### 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

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### C7.9a

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**(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	0	No change	0	There have been no additional purchases of renewable energy in the reporting year because, firstly, CaixaBank's percentage of renewable electricity consumption is already very high, almost at its maximum (99.31% of the energy consumed in 2019 was from renewable sources). Secondly, CaixaBank is implementing several energy reduction initiatives, which means that renewable electricity consumption will inevitably decrease in absolute numbers.
Other emissions reduction activities	280	Decreased	3	CaixaBank implemented several scope 1+2 emission reduction activities in 2019, which mainly included: an automation project in our Branch network (where 91 offices and 15 singular buildings were monitored, and automated management was applied in 121 Store offices), incorporation of 41 hybrid vehicles in the current fleet (replacing more emitting diesel vehicles), replacement of fluorescent lightning for LED lightning in our Central Services Buildings, replacement of 149 high-energy consumption air conditioning units with more efficient ones in the branch network in Spain, acquisition of 1,500 energy efficient smart PC (Energy Star) also in the Branch Network, among others (see question C4.3b for more information of these activities). As a result of the several scope 1+2 emission reduction activities implemented in 2019, CaixaBank achieved a reduction of 280 tons of CO2 in the reporting year 2019. We have calculated the emissions value in percentage following the CDP methodology for this question, as follows: 280 tons of CO2 / 8,980 tons of CO2 (scope 1+2 emissions in 2018) * 100 = 3%.
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	2832	Decreased	32	In 2019 there was a significant decrease in emissions from refrigerant gases, associated to a decrease in the recharge of the equipment the same year. This represented a reduction in emissions of around 2,832 tons of CO2, which represent an emission value percentage of 32%. We have calculated the emissions value in percentage following the CDP methodology for this question, as follows: 2,832 tons of CO2 / 8,980 tons of CO2 (scope 1+2 emissions in 2018) * 100 = 32%.

### 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 undertook this energy-related activity in the reporting year
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 (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	5738	5738
Consumption of purchased or acquired electricity	<Not Applicable>	150643	1047	151690
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>	150643	6785	157428

## 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 emissions, and attach the relevant statements.**

**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**

Carbon footprint verification\_Caixabank\_2019.pdf

CAIXABANK\_Informe\_2019.pdf

**Page/ section reference**

All document

**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 2 emissions and attach the relevant statements.

**Scope 2 approach**

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**

Carbon footprint verification\_Caixabank\_2019.pdf

CAIXABANK\_Informe\_2019.pdf

**Page/ section reference**

All document

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

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C10.1c

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

**Scope 3 category**

Scope 3: Purchased goods and services

**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**

Carbon footprint verification\_Caixabank\_2019.pdf

CAIXABANK\_Informe\_2019.pdf

**Page/section reference**

All document

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

---

**Scope 3 category**

Scope 3: Capital goods

**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**

Carbon footprint verification\_Caixabank\_2019.pdf

CAIXABANK\_Informe\_2019.pdf

**Page/section reference**

All document

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

---

**Scope 3 category**

Scope 3: Upstream transportation and distribution

**Verification or assurance cycle in place**

Annual process

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**Status in the current reporting year**

Complete

**Type of verification or assurance**

Reasonable assurance

**Attach the statement**

Carbon footprint verification\_Caixabank\_2019.pdf  
CAIXABANK\_Informe\_2019.pdf

**Page/section reference**

All document

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

---

**Scope 3 category**

Scope 3: Waste generated in operations

**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**

Carbon footprint verification\_Caixabank\_2019.pdf  
CAIXABANK\_Informe\_2019.pdf

**Page/section reference**

All document

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

---

**Scope 3 category**

Scope 3: Business travel

**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**

Carbon footprint verification\_Caixabank\_2019.pdf  
CAIXABANK\_Informe\_2019.pdf

**Page/section reference**

All document

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

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**Scope 3 category**

Scope 3: Employee commuting

**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**

Carbon footprint verification\_Caixabank\_2019.pdf  
CAIXABANK\_Informe\_2019.pdf

**Page/section reference**

All document

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

---

**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

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**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	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
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

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**C11. Carbon pricing**

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**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**

Forests

**Project identification**

CIKEL BRAZILIAN AMAZON REDD APD PROJECT MANAGEMENT PROJECT, BRAZIL. The sustainable forest management project located in the Río Capim Complex (RCC), Paragominas municipality, Pará state, Eastern Amazon of Brazil. The CIKEL Brazilian Amazon REDD APD Project aims to avoid emissions from planned deforestation on a property in Paragominas Municipality, Para state, Brazil. The main activity of the CIKEL Brazilian Amazon REDD APD Project is the cancelation of the planned deforestation activities and decision to instead conserve the forest area and continue limited forest management activities in the area under Forest Stewardship Council® Certification (FSC®) with Low Impact Logging (SFMLIL) practices

**Verified to which standard**

VCS (Verified Carbon Standard)

**Number of credits (metric tonnes CO2e)**

21872

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

21872

**Credits cancelled**

Yes

**Purpose, e.g. compliance**

Voluntary Offsetting

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**Credit origination or credit purchase**

Credit purchase

**Project type**

Forests

*Both Credit purchase and Credit origination. The promoter of this project is CaixaBank. This year CaixaBank offset 25 tons 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. Both Credit purchase and Credit origination. The promoter of this project is CaixaBank. This year CaixaBank offset 25 tons of this project, as done last year, and will continue offsetting with it in the next years.

**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. This year CaixaBank offset 25 tons 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. Both Credit purchase and Credit origination. The promoter of this project is CaixaBank. This year CaixaBank offset 25 tons of this project, and will continue offsetting with it in the next years.

**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

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

Yes

## C11.3a

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### (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 2018, the average carbon price of the voluntary market was of \$3.01/ tonne CO<sub>2</sub>\*. 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 CO<sub>2</sub> that can be offset through it. \*Source of the carbon credit price in the voluntary carbon market: State of Voluntary Carbon Markets 2019.

#### 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 emission 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/tCO<sub>2</sub> based on the average carbon credit price of the voluntary carbon market, which in 2018 was \$3.01/tCO<sub>2</sub>\* 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 CO<sub>2</sub> 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: State of Voluntary Carbon Markets 2019.

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## C12. Engagement

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## C12.1

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### (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

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**(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**

100

**% total procurement spend (direct and indirect)**

100

**% of supplier-related Scope 3 emissions as reported in C6.5**

0

**Rationale for the coverage of your engagement**

One of the 5 axes of our new 2019-2021 Environmental Management Plan is extending the environmental commitment to the value chain, including all our suppliers. On the one hand, we have implemented green purchasing at our Purchase Area and an Environmental Plan for Procurement and Contracts to identify categories with the greatest potential environmental impact. Thus, all our purchases and hiring within these identified categories consider environmental criteria specifications. In 2019, through CaixaBank's online supplier management tool, where all the information associated to suppliers is stored, we asked all of our suppliers (100%), all operating in Spain, whether they calculated their carbon footprint, what were their total emissions, as well as other environmental and climate related information such as their environmental management systems certifications (e.g. ISO 14001). Our goal is to gain a better understanding of our supplier's commitment and action against climate change, and to identify potential suppliers to further engage with, so they align to the Group's environmental standards and environmental policy. In addition, identifying our most emitting suppliers and engaging with them so they take measures to reduce their emissions will help us in reducing our overall scope 3 emissions.

**Impact of engagement, including measures of success**

CaixaBank measures the success of this engagement by the number of suppliers that provide us with this climate related information, both the number of suppliers that have implemented the ISO 14001 certification as well as the number of suppliers that calculate their carbon emissions, and the response rate in each case out of our total suppliers. In 2019, out of our total 7.767 suppliers, 189 (2,4%) confirmed they had implemented the ISO 14001 certification, while only 8 suppliers (0,1%) did calculate their carbon emissions. These values are lower than the previous year 2018, where 4,5% (330 suppliers out of the 7,232) had implemented the ISO 14001 and 18 suppliers (0,24%) confirmed they annually calculate their carbon footprint. Despite being at the early stages, we expect to increase the response rate of our suppliers in order to gain a better understanding of their commitment and action against climate change, and thus be able to continue engaging actively with those who do not currently take action. As mentioned, one of the 5 axes of our new 2019-2021 Environmental Management Plan is extending the environmental commitment to the value chain, including all our suppliers. In addition, CaixaBank is currently planning to collect information regarding whether its suppliers offset the emissions they have not been able to reduce.

**Comment**

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**C12.1b**

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

**Type of engagement**

Information collection (understanding customer behavior)

**Details of engagement**

Collect climate change and carbon information from new customers as part of initial due diligence

**% of customers by number**

100

**% of customer - related Scope 3 emissions as reported in C6.5**

0

**Portfolio coverage (total or outstanding)**

Majority of the portfolio

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

CaixaBank's model for integrating environmental risk analysis into admission processes considers the environmental risk of both the customer and the operation. All clients must be qualified according to Environmental Risk before granting new risk. During the credit approval process, the specific transaction is assessed as well in accordance with the Environmental Risk Management Policy (evaluating general and sectoral exclusions). In addition, the environmental risk is analysed, defined as the probability of occurrence of damage that can cause significant adverse effects on any element of environment, including climate change. CaixaBank assesses the sector, the company and its trajectory, public and market information, documentation of the project and its specific risks, information or assessment of experts and other aspects (at the operation level, compliance with the Equator Principles). An initially high-risk project can improve its rating if it has an adequate environmental management plan. This allows for an environmental risk assessment for each client/operation. On the other hand, the degree of carbon intensity is assessed, which will depend on the level of emissions compared to the sector average. Data is collected from different sources and external ESG rating agencies and market tools (MSCI). Based on the previous outputs, the Environmental Risk sanction (RMA) will be concluded as: favourable, unfavourable or rejected. This evaluation is integrated into the client or transaction file and is evaluated along with the other financial and credit quality factors for the final admission decision. The individual assessment is carried out for all corporate and business client transactions, which represent approx. 21% of the Exposure at Default (EAD) of the credit portfolio (as at December 2019 as per Pillar 3 disclosure). In addition, for all new Real Estate financing transactions (mortgage loans, developer loans and Commercial Real Estate) the Energy Efficiency Certificate of the financed real estate asset is requested as part of the credit approval process. Real Estate portfolio represents approximately 41% of total Exposure at Default (EAD).

**Impact of engagement, including measures of success**

CaixaBank measures the success of this action by the number of favourable applications, compared to the unfavourable and rejected applications out of all the applications received. In 2019, 100 applications were received, of which 87 were sanctioned. 2 were rejected for not complying with the policy, both companies related to coal. The remaining 85 were Favourable. Therefore, by rejecting 2 applications of companies related to coal, that did not pass CaixaBank's environmental risk assessment, the Group reduces its exposure to potential climate risks that could arise from financing this fossil fuel and decreases its exposure to carbon related assets, in line with the Groups Strategy. At the moment, the analysis has been carried out centrally (Environmental Risk Analysis team). Regarding the Energy Efficiency Certificate that is collected within the Real Estate transactions, A or B ratings are considered environmentally sustainable. CaixaBank is adapting its information systems and loan allocation processes to input information and documentation regarding the energy certificate when operations are formalised. Energy information concerning planned property developments is also included. The promotions formalised in 2019 include operations for €938 million with A or B rating.

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## C12.1d

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

Since 2015, CaixaBank has engaged with policy makers, specifically with the Government of Catalonia and the Government of Spain, by participating and publicly committing to reducing our GHG emissions through the Voluntary Agreements Program of the Government of Catalonia and the Carbon Footprint Registry of MAGRAMA (the environmental Ministry of the Spanish Government), where we annually report our emission reduction initiatives.

Throughout 2019, 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, 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. Specialised employees have been trained in environmental management, project finance for renewable energy and recommendations of the TCFD in the area of climate change. Besides, through the "automatic booking" travel tool, employees are informed regarding the associated CO2 emissions to journeys. As a result of these engagement, significant emission and waste reductions have been achieved throughout the years, such as a reduction of 25% of plastic waste in the cafeteria compared to 2018 (see question C4.3b for more details).

CaixaBank disseminates its commitment to fight against climate change 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. 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 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 and CaixaBank Asset Management are signatories of the UNPRI and to the Climate Action 100+ initiative 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) 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.

In order to advance in a global standard of Taxonomy, we joined the working group coordinated by UNEP FI in 2019, to study and define guidelines for the application of the Taxonomy of environmentally sustainable activities of the EU to banking products. We are currently working on a case study to analyse the risks to the institution's credit portfolio (second phase of the UNEP FI pilot).

Since February 2015, CaixaBank has adopted the Green Bond Principles as an underwriter. During these years, the bank has placed as a Joint Bookrunner in the placement of green bonds for investment in sustainable assets. In 2019, CaixaBank participated in the placement of 4 green bond (Enel, Prologis and FCC Environment Services) issued for investment in sustainable assets with a total volume of €2,550 million.

## C12.3

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### **(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

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

Yes

## C12.3c

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**(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 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-ESBG'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. CaixaBank is part of the Task Force on sustainable finance and we respond to most of the European initiatives. As a recent initiative, the response to the European Commission consultation on the revision of the Non-Financial Reporting Directive NFRD. We have managed to reach a consensus response, despite differences with the German position. Additionally, through them we have channelled a response to the European Climate Law and to different queries on the development of the taxonomy of activities for adaptation and mitigation to climate change.

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**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. Represented 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. Finresp, the Financial Center for Sustainability in Spain, is an initiative of AEB, CECA, Inverco, Unacc and Unespa to meet the needs of the Spanish productive fabric, particularly SMEs, in their adaptation to the principles and standards of sustainability developed by the UN. Finresp presented its commitments to the environment and responsible finances within the framework of the Climate Summit COP25 In Madrid in 2019. In this sense, the CEO of CECA stated that "the role that the financial sector will play as a catalyst for a new production model based on a decarbonised economy is key. The European authorities they must facilitate this work in the design of the new Green Pact".

**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. In 2019, CaixaBank joined the UN Collective Commitment to Climate Action, which reflects the desire of the Bank to align its portfolio with the goals of the Paris Agreement, generate a positive impact and set targets. Additionally, CaixaBank signed on to the Commitment to the Climate that CECA and the AEB have been promoting for the Spanish banking sector.

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C12.3e

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

CaixaBank collaborates with the World Wildlife Fund (WWF), who 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 aim to minimize the branches' impact on the environment and encourage the ecological sensitivity of employees and users. In addition, in 2018 and 2019 CaixaBank participated in the revision of the branch offices category and renewed again its commitment with the Environmental quality guarantee emblem for both years. 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, the Spanish Business Council for Sustainable Development, whose position on CC is to help the enterprises to maximize a positive contribution 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, the benchmark business platform in Spain for climate change. During 2019 this Cluster addressed the keys necessary for business transformation to respond to the decarbonisation of the economy by 2050. CaixaBank actively participates sharing experiences of climate change management.

CaixaBank is also a member of Fundación SERES, a group of enterprises that pursue the improvement of society from different points of view, one of which is the improvement of the environmental conditions. Their position on climate change is that it is important that enterprises act to tackle climate change and its position on climate change is consistent with ours.

CaixaBank is also adhered to the Spanish Group of Green growth, that aims at developing a road map for private business to actively participate and manage the opportunities derived from a green growth framework. CaixaBank actively participates in the decisions taken, sharing its insight on climate change risk and opportunity management in climate change and energy efficiency.

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

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.

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). In 2019, a partnership agreement with IESE PPP for Cities took place to develop specific proposals to fund and fully implement Smart City proposals: More inclusive and sustainable cities, both in social and environmental terms. CaixaBank is an affiliated member of The World Tourism Organization (UNWTO), the United Nations body that promotes responsible, sustainable and accessible tourism for all.

CaixaBank is a member of Barcelona Centre Financer Europeu for Sustainability, which together with the Financial Center for Sustainability in Spain seek to ensure that sufficient private capital is allocated to sustainable investments and in 2019 adhered to the United Nations network of European financial centres for sustainability.

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.

"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.

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### 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 and to reduce the environmental impact of the activity of CaixaBank's and its value chain (customers, suppliers, etc.).

For example, as a result of 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 engagement with the government of Catalonia stated in the previous question (C12.3e) 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 of 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 climate change 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.

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## 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**

Consolidated Management Report\_CaixaBank\_2019.pdf

**Page/Section reference**

19-20; 48; 55; 57,133-135; 141-145; 158-160; 164-177

**Content elements**

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

Other metrics

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

**Comment**

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**Publication**

In voluntary communications

**Status**

Complete

**Attach the document**

Environmental\_Declaration\_2019.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**

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**Publication**

In voluntary sustainability report

**Status**

Complete

**Attach the document**

CaixaBank Group\_ Socioeconomic impact\_2019.pdf

**Page/Section reference**

All document

**Content elements**

Strategy

Emissions figures

Emission targets

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

**Comment**

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**Publication**

In voluntary communications

**Status**

Complete

**Attach the document**

StatementonClimateChange\_CaixaBank\_2019.pdf

**Page/Section reference**

All document

**Content elements**

Governance

Strategy

**Comment**

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**Publication**

In voluntary communications

**Status**

Complete

**Attach the document**

Environmental\_Risk\_Management\_Policy.pdf

**Page/Section reference**

All document

**Content elements**

Governance

Strategy

Risks & opportunities

**Comment**

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**Publication**

In voluntary communications

**Status**

Complete

**Attach the document**

Environmental\_Management\_Plan\_CaixaBank\_2019\_2021.pdf

**Page/Section reference**

All document

**Content elements**

Strategy

Emission targets

Other metrics

**Comment**

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**Publication**

In voluntary communications

**Status**

Complete

**Attach the document**

Carbon footprint\_CaixaBank\_2019.pdf

**Page/Section reference**

All document

**Content elements**

Emissions figures

Other, please specify (emission offsets)

**Comment**

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**Publication**

In voluntary sustainability report

**Status**

Complete

**Attach the document**

VIDACAIXA\_Sustainability and Socially Responsible Investment Report\_2019.pdf

**Page/Section reference**

All document

**Content elements**

Governance

Strategy

**Comment**

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**Publication**

In voluntary communications

**Status**

Complete

**Attach the document**

VIDACAIXA\_PC30\_Informe de sostenibilidad\_2019.pdf

**Page/Section reference**

All document

**Content elements**

Governance

Strategy

Risks & opportunities

Other metrics

**Comment**

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**Publication**

In voluntary communications

**Status**

Complete

**Attach the document**

CaixaBank Asset Management\_Socially Responsible Investment Policy.pdf

**Page/Section reference**

All document

**Content elements**

Governance

Strategy

**Comment**

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**Publication**

In voluntary communications

**Status**

Complete

**Attach the document**

CaixaBank Asset Management\_Proxy Voting Policy.pdf

**Page/Section reference**

All document

**Content elements**

Governance

Strategy

**Comment**

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C-FS12.5

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**(C-FS12.5) Are you a signatory of any climate-related collaborative industry frameworks, initiatives and/or commitments?**

	Industry collaboration	Comment
Reporting framework	Equator Principles Principles for Responsible Investment (PRI) Task Force on Climate-related Financial Disclosures (TCFD) UNEP FI Principles for Responsible Banking UNEP FI Principles for Sustainable Insurance	Equator Principles: Commitment to ESG risk assessment in project financing of over 7 million euros (2007). CaixaBank is committed to complying with the transparency recommendations of the TCFD (2018). UNEP FI Principles for Responsible Banking: CaixaBank has been a signatory since 2019. Principles for Responsible Investment (PRI): The pension plans manager, VidaCaixa (2009), the Group's asset manager, CaixaBank Asset Management (2016) are signatories. More recently (2020), VidaCaixa has formalized its adherence to the United Nations Principles for Insurance Sustainability (PSI), principles constitute a framework of reference for the insurance sector worldwide in the face of the attempt to face environmental, social and governance risks and opportunities.
Industry initiative	Principles for Responsible Investment (PRI) UNEP FI Principles for Responsible Banking Climate Action 100+ UNEP FI UNEP FI TCFD Pilot	Climate Action 100+: An initiative that drives dialogue with the largest greenhouse gas emitting companies (2018). VidaCaixa and CaixaBank Asset Management are adhered to the Climate Action 100+ initiative to drive the clean energy transition and help achieve the goals of the 2015 Paris Agreement (COP21). CaixaBank is a member of UNEP FI since 2018. CaixaBank has joined the Task Force on Climate related Financial Disclosure (TCFD) banking pilot phase II in 2019, which is organized by UNEP FI, aimed at supporting the identification and disclosure of climate related R&O, including physical and transition risks. This working group helps financial entities to develop and implement a methodology for analysing climate change scenarios, and putting scenario developers, financial entities, supervisors and various stakeholders in contact. UNEP FI Banking Taxonomy. CaixaBank joined this working group to jointly define an Application Guide for banking products of the European Taxonomy of environmentally sustainable activities
Commitment	Collective Commitment to Climate Action Other, please specify (Climate Commitment published by the Spanish Confederation of Savings Banks and the Spanish Banking Association)	In December 2019, CaixaBank signed the United Nations Collective Commitment to Climate Action. Under this commitment, which was announced within the framework of the Principles for Responsible Banking, banks undertake to align their portfolios to reflect and finance the low-carbon, climate-resilient economy required to limit global warming to below 2 degrees Celsius. CaixaBank is also a signatory to the Climate Commitment published by the Spanish Confederation of Savings Banks and the Spanish Banking Association.

**C14. Portfolio Impact**

**C-FS14.1**

**(C-FS14.1) Do you conduct analysis to understand how your portfolio impacts the climate? (Scope 3 portfolio impact)**

	We conduct analysis on our portfolio's impact on the climate	Disclosure metric	Comment
Bank lending (Bank)	Yes	Alternative carbon footprinting and/or exposure metrics (as defined by TCFD)	Our lending portfolio is managed with the intention of aligning its indirect impact on climate change with the Bank's risk appetite and its commitment to sustainability goals. Since 2018, therefore, we have measured our lending exposure to economic activities considered to be linked to high CO2 emissions. For better comparability, the main indicator is based on the definition suggested by the Task Force on Climate-related Financial Disclosures (TCFD), and includes exposure to activities linked to the energy and utilities industries, excluding water utilities and independent power and renewable electricity producer industries (carbon related assets, as defined in Implementing the Recommendations of the TCFD). In 2019, such activities accounted for around 2% of the total financial instruments' portfolio (Data on CaixaBank Group's carbon-intensive equity, fixed income and credit exposure. Some exposures may contain a mix of power generation that includes renewable energies). Additional management metrics are currently being developed, and implemented (non-public). In addition, CaixaBank signed a "Commitment to Climate Action" in December 2019, committing to set targets in 2022 to align the portfolio with the Paris Agreement. Therefore, portfolio analysis is being carried out to set targets for reducing the portfolio's impact on the climate.
Investing (Asset manager)	No, but we plan to do so in the next two years	<Not Applicable >	We have not yet conducted an analysis to understand how our portfolio impacts the climate. However, we are currently developing a climate strategy for measuring and monitoring our portfolio's exposure to climate risks and opportunities, in which we are also planning to calculate the impact of our portfolio on the climate. We are in the process of defining which metric to implement. Our Working Group is currently analysing the several market tools and metrics available. We will consider the TCFD recommendations and the work developed by CaixaBank in this matter.
Investing (Asset owner)	Yes	Alternative carbon footprinting and/or exposure metrics (as defined by TCFD)	Pensions Caixa 30 (PC30) is CaixaBank Group's Employee Pension Plan and is a signatory of UNPRI. The fund investments are managed by VidaCaixa, which takes into consideration ESG principles, including climate change, into the investment process. Some of the SRI strategies implemented by PC30 include analysis and selection of companies and funds based on compliance, or not, with international standards on environmental protection, and thematic investing, with the aim of reducing the Carbon Footprint of the portfolio and improving its ESG notation. Climate change involves a risk and at the same time an opportunity for long-term investors such as PC30. We calculate an annual metric that allows us to determine the environmental impact of our investments to help us assess our portfolio with respect to the ESG commitments acquired as signatories to the PRI. This metric refers to the amount of greenhouse gases emitted by the set of companies that compose the Fund's investment portfolio. In 2019, the carbon footprint of PC30 (metric that weights, in terms of intensity, the emission of greenhouse gases by sales of the companies that comprise the reference index) was 185 tCO2e/M\$, which is a reduction compared to last year's (266 tCO2e/M\$). This metric covers 89% of the fund, excluding Private Equity. The data is obtained mainly by an ESG provider contracted for this purpose. Carbon footprint intensity data has been published on the PC30 blog since 2015 as part of the Montreal Carbon Pledge of which the fund is a reporter.
Insurance underwriting (Insurance company)	<Not Applicable >	<Not Applicable >	<Not Applicable>
Other products and services, please specify	Not applicable	<Not Applicable >	The main financial products and services offered by CaixaBank Group are already included in the previous organizational activities/portfolios, thus this category is not applicable for us.

## C-FS14.1a

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### (C-FS14.1a) What are your organization's Scope 3 portfolio emissions? (Category 15 "Investments" total emissions)

#### Category 15 (Investments)

##### Evaluation status

Relevant, not yet calculated

##### Scope 3 portfolio emissions (metric tons CO<sub>2</sub>e)

<Not Applicable>

##### Portfolio coverage

<Not Applicable>

##### Percentage calculated using data obtained from client/investees

<Not Applicable>

##### Emissions calculation methodology

<Not Applicable>

##### Please explain

We are aware that scope 3 Category 15 "Investments" is relevant to our business, but we have not yet calculated the total emissions associated with it. We have not yet calculated these emissions as currently there is no single, globally approved methodology for measuring portfolio impact that applies to all financial services sector companies and all financing activities. We have therefore calculated our portfolio impact according to other metrics, suggested by the Task Force on Climate-related Financial Disclosures (see question C-FS14.1b for more details). The estimation of this category of scope 3 emissions, according to the GHG protocol, will be assessed in the near future, as we generate the database of environmental risks (currently in the design phase).

## C-FS14.1b

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### (C-FS14.1b) What is your organization's Scope 3 portfolio impact? (Category 15 "Investments" alternative carbon footprinting and/or exposure metrics)

##### Metric type

Weighted average carbon intensity

##### Metric unit

Percentage portfolio value

##### Scope 3 portfolio metric

2

##### Portfolio coverage

More than 90% but less than or equal to 100%

##### Percentage calculated using data obtained from clients/investees

##### Calculation methodology

For better comparability, the main indicator is based on the definition suggested by the Task Force on Climate-related Financial Disclosures (TCFD), and includes exposure to activities linked to the energy and utilities industries, excluding renewables (carbon related assets, as defined in Implementing the Recommendations of the TCFD). In 2019, such activities accounted for around 2% of the total financial instruments portfolio (Data on CaixaBank Group's carbon-intensive equity, fixed income and credit exposure. Some exposures may contain a mix of power generation that includes renewable energies). This metric includes all CaixaBank Group level investment in loan portfolio, fixed income and equity (CaixaBank, VidaCaixa and BPI - Portuguese Investment Bank, owned by CaixaBank, also included in this metric). Construction: - Sectors (NACE - National Classification of Economic Activities) according to TCFD (except extension of perimeter by regulatory sources). - Correction of NACE codes through analysis and / or GICS (Global Industry Classification Standard) sectorization. This risk metric is complemented by an additional carbon-intensity metric (non-public) in order to monitor the carbon intensity of our aggregated exposure in accordance with our risk appetite. The metric was approved by CaixaBank's Global Risk Committee and has already been implemented. As initial reference the classification used by the Bank of Spain in an article in the Financial Stability Magazine has been taken (it identifies a long and high-level list with the macro-sectors that would generate more CO<sub>2</sub> emissions and those that may be more affected for possible technological innovations to increase the use of renewable energy, as well as for changes in the preferences of economic agents). This classification by NACE codes is imprecise (eg. all "agriculture" activity would be intensive), for which reason it has been resorted to: -Extend this analysis to more specific sub NACE codes (e.g. only rice cultivation), - Market tools (MSCI) and other verifiable sources that provide information at the sector / entity level This methodology will evolve based on: (i) taxonomies defined by regulators; (ii) greater public transparency of companies in their CO<sub>2</sub> emissions or (iii) collection of information in operations with our clients.

##### Please explain

This metric was chosen for better comparability and as suggested by the TCFD. The metric includes all CaixaBank Group level investment in loan portfolio, fixed income and equity (CaixaBank, VidaCaixa and BPI - Portuguese Investment Bank, owned by CaixaBank, also included in this metric). The lending portfolio is managed with the intention of aligning its indirect impact on climate change with the Bank's risk appetite and its commitment to sustainability goals. Since 2018, therefore, the Group has measured its lending exposure to economic activities considered to be linked to high CO<sub>2</sub> emissions. Determining our credit exposure to CO<sub>2</sub> emission intense businesses helps us identify the measures to take in order to manage this exposure. For example, On the Business side, CaixaBank already has specialist staff in some of the business segments which are most sensitive from the viewpoint of climate and environmental risk, including the real estate sector, infrastructure and energy projects and agriculture, with a view to facilitating customer engagement in the transition to a low-carbon economy. As part of the scenario analysis we have carried out, workshops have been held with customers of the Energy sector to get their view around transition risk and their decarbonization strategies. This risk metric is complemented by an additional carbon-intensity metric (non-public) in order to monitor the carbon intensity of our aggregated exposure in accordance with our risk appetite. The metric was approved by CaixaBank's Global Risk Committee and has already been implemented (see previous column for more details). The methodology will evolve based on: (i) taxonomies defined by regulators; (ii) greater public transparency of companies in their CO<sub>2</sub> emissions or (iii) collection of information in operations with our clients.

## C-FS14.1c

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**(C-FS14.1c) Why do you not conduct analysis to understand how your portfolio impacts the climate? (Scope 3 Category 15 “Investments” emissions or alternative carbon footprinting and/or exposure metrics)**

**Investing (Asset Manager)**

As explained in the previous question C-FS14.1, at CaixaBank Asset Management (CaixaBank Group’s subsidiary company), which is CaixaBank’s collective investment institution management company, we have not yet conducted an analysis to understand how our portfolio impacts the climate. However, we are currently developing a climate strategy for measuring and monitoring our portfolio’s exposure to climate risks and opportunities, in which we are also planning to calculate the impact of our portfolio on the climate. We are in the process of defining which metric to implement. Our Working Group is currently analysing the several market tools and metrics available. We will consider the TFCO recommendations and the work developed by CaixaBank in this matter.

**C-FS14.2**

**(C-FS14.2) Are you able to provide a breakdown of your organization's Scope 3 portfolio impact?**

	Scope 3 breakdown	Comment
Row 1	None of the above, but we plan to do this in the next 2 years	Currently we cannot provide a breakdown for our scope 3 portfolio impact, although we plan to do it in the near future.

**C-FS14.3**

**(C-FS14.3) Are you taking actions to align your portfolio to a well below 2-degree world?**

	We are taking actions to align our portfolio to a well below 2-degree world	Please explain
Bank lending (Bank)	Yes	We acknowledge the key role that financial institutions play in helping to mobilize capital for the transition to a low-carbon economy, and thus we are taking actions to align our portfolio to a well below 2-degree world. These include: -In December 2019, we signed the UN Collective Commitment to Climate Action. Under this commitment we commit to align our portfolio to reflect and finance the low-carbon, climate-resilient economy required to limit global warming to below 2°C. In line with this Commitment, we are working on establishing sectoral and scenario-based targets to align the bank’s portfolio with the targets of the Paris Agreement. -Since 2018 we measure the exposure of our lending portfolio to economic activities considered to be linked to high CO2 emissions. In 2019, such activities accounted for around 2%. -Quantification of our total environmentally sustainable portfolio (10,300 M EUR at 31/12/2019), which includes the financing of energy efficient buildings, renewable Energy Projects, green Certified Loans Based on ICMA Green Loan Principles, among others. -Adherence to the 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. -In order to advance in a global standard of Taxonomy, we joined the working group coordinated by UNEP FI in 2019, to study and define guidelines for the application of the Taxonomy of environmentally sustainable activities of the EU to banking products. -We have started to roll out scenario analysis to assess climate risk in our portfolio; the ongoing assessment of climate risk in our portfolio will give us insight on setting objectives to align the portfolio to the Paris Agreement as per the Commitment to Climate Action. -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. -Climate-related issues are integrated into our general policy framework that relates to our financing activities and we have exclusion policies for industries and activities contributing to climate-related risks.
Investing (Asset manager)	Yes	CaixaBank Asset Management, CaixaBank’s collective investment institution management company, is adhered to the United Nations Principles of Responsible Investment (UNPRI) since 2016 and manage its portfolio in accordance with these principles. CaixaBank Asset Management 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). In 2019, we received the A+ rating in the Strategy and Governance category, the maximum possible for PRI. We offer sustainable products such as our fund MicroBank Fondo Ecológico, an international equity fund invested in a selection of ecologically responsible funds for sectors like renewable energies, ecological food, recycling or wastewater treatment, among others. In addition, our new SRI fund (2019), CaixaBank Selección Futuro Sostenible will invest a minimum of 75% in collective investment institutions that follow sustainable investment criteria and are managed by companies of recognised international standing in the field of investment with ESG criteria: environmental, social and corporate governance. We are currently developing a climate strategy for measuring and monitoring our portfolio’s exposure to climate risks and opportunities, an analysis that would cover approximately 25% of our total portfolio. We are also planning to calculate the impact of our portfolio, currently in the process of defining which metric to implement. As result of our adherence to the Principles for Responsible Investment in 2016, a Socially Responsible Investment Committee (“SRI Committee”) was created and a Socially Responsible Investment (SRI) Policy was approved by CaixaBank’s Board of Directors in March 2017. This SRI Policy covers 85.3% of our portfolio. Regarding our Proxy voting policy, voting must be exercised on points that relate to Environmental, Social or Governance (ESG) matters: supporting, among others, shareholder proposals for the disclosure of ESG criteria or international standards/codes of conduct
Investing (Asset owner)	Yes	VidaCaixa is the leading enterprise in the social welfare sector, integrated in CaixaBank. VidaCaixa is adhered to the United Nations Principles for Responsible Investing (UNPRI) and manage its portfolio in accordance with these principles. VidaCaixa also adhered to the Climate Action 100+ initiative to drive the clean energy transition and help achieve the goals of the 2015 Paris Agreement (COP21). In 2019 we assessed our exposure to climate change R&O by using the PACTA tool, to determine in some specific sectors (such as utilities, Oil & gas, automotive) if our holdings’ projected activities in 2023 (e.g. future energy mix for utilities, share of EVs for car makers) were aligned with a 2° trajectory requirements. Since 2018, VidaCaixa has held the highest rating (A+) for the PRI in the strategy and governance category. It was the first insurer in Spain to achieve this. Pensions Caixa 30 (PC30) is CaixaBank Group’s Employee Pension Plan and is a signatory of UNPRI. The fund investments are managed by VidaCaixa, which takes into consideration ESG principles, including climate change, into the investment process. We calculate an annual metric that allows us to determine the environmental impact of our investments to help us assess our portfolio with respect to the ESG commitments acquired as signatories to the PRI. In 2019, the carbon footprint of PC30 (metric in tCO2e/M\$ that weights, in terms of intensity, the GHG emission of scope 1+2 by sales of the companies that comprise the reference index) was 185 tCO2e/M\$, which is a reduction compared to last year’s (266 tCO2e/M\$). This metric covers 89% of the fund and excludes Private Equity. The data is obtained mainly by an ESG provider contracted for this purpose. Carbon footprint intensity data has been published on the PC30 blog since 2015 as part of the Montreal Carbon Pledge of which the fund is a reporter. In 2019, VidaCaixa created a specific department for SRI, to enhance the proxy voting mechanisms and dialogue and engagement processes. Portfolio companies have been contacted when they presented high levels of CO2 emissions and were asked whether they were going to submit their emission reduction targets to the SBTi for validation. If companies did not submit their targets for validation, they were asked for a justification.
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	The main financial products and services offered by CaixaBank Group are already included in the previous organizational activities/portfolios, thus this category is not applicable for us.

**(C-FS14.3a) Do you assess if your clients/investees' business strategies are aligned to a well below 2-degree world?**

	We assess alignment	Please explain
Bank lending (Bank)	Yes, for some	We are currently assessing whether some of our clients' business strategies are aligned to a well below 2-degree world as part of the scenario analysis process in the framework of the UNEP FI pilot. In this analysis, the risk of climate transition in the utilities and oil & gas sectors has been assessed and 9 of our main clients in these sectors have been analysed individually. These 9 clients were contacted to hold a meeting in order to obtain their vision on their decarbonisation transition strategy in the short, medium and long term. They were also specifically asked for information on climate change and other actions to mitigate the potential impact of transition risks on their activities. Despite currently only assessing some of our clients' strategies aligned to a well below 2-degree world, next year we are planning to do so as a BAU procedure for corporate clients. In addition, and as mentioned in previous questions, in 2019 CaixaBank developed an Environmental Risk Management Policy that regulates the financing of certain companies and projects representing a potential ESG risk. The sectors that have been considered in this policy are: Mining, Energy, Infrastructure and Agriculture, fishing, livestock and forestry. A questionnaire to assess and classify customers and operations forms part of the environmental risk analysis built into the credit process for business and corporate customers. This policy governs the admission and acceptance of new lending arrangements and guarantees and the purchase of fixed-income securities, equity instruments and other similar securities in companies or groups whose consolidated turnover exceeds 50 million euros and where such arrangements involve: 1. Project financing and 2. Long-term transactions (more than two years) where the amount exceeds 5 million euros. When accepting new customers, CaixaBank will rely on available public information and on the information provided by the customer to ensure that its business activities do not violate the principles set out in this policy and also to verify its performance, commitment and progress in relation to environmental matters, including their alignment to a well below 2-degree world. In addition, emissions are assessed relative to the SBTi pathway, if relevant.
Investing (Asset manager)	No, but we plan to do so in the next two years	We currently do not assess if our investees' business strategies are aligned to a well below 2-degree world, although we plan to do it in the next two years. We are currently developing a climate strategy for measuring and monitoring our portfolio's exposure to climate risks and opportunities, in which we will also consider this specific assessment. In this sense, our future plans include developing a measuring methodology, an adequate internal and external reporting system, and aligning with the TFCF recommendations as well as the European regulations with regard to the integration of sustainability risks and sustainability factors.
Investing (Asset owner)	No	Despite not assessing this specifically, portfolio companies have been contacted when they presented high levels of CO2 emissions. Among the issues discussed, they were asked whether they were going to submit their emission reduction targets to the SBTi for validation, which is in line with what the latest climate science says is necessary to meet the goals of the Paris Agreement, to limit global warming to well below 2 degrees above pre-industrial levels and pursue efforts to limit warming to 1.5 degrees. If companies did not submit their targets for validation, they were asked for a justification.
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	<Not Applicable>	<Not Applicable>

**(C-FS14.3b) Do you encourage your clients/investees to set a science-based target?**

	We encourage clients/investees to set a science-based target	Please explain
Bank lending (Bank)	No, but we plan to do so in the next two years	Measures are currently being implemented for the analysis of the loan portfolio with a view to setting targets for 2022 to align the portfolio with the Paris Agreement, in compliance with the Commitment to Climate Action signed by CaixaBank in December 2019. Once analysed, reduction objectives and strategies will be established to achieve them. Depending on the results of the analysis, CaixaBank could consider the possibility of promoting SBTi objectives among its customers.
Investing (Asset manager)	No, but we plan to do so in the next two years	We currently do not encourage our investees to set a science-based target. We are currently developing a climate strategy for measuring and monitoring our portfolio's exposure to climate risks and opportunities, in which we will consider whether to encourage our investees to set a science-based target.
Investing (Asset owner)	Yes, for some	Portfolio companies have been contacted when they presented high levels of CO2 emissions. Among the issues discussed, they were asked if they were going to submit their emission reduction targets to the SBTi for validation, which is in line with what the latest climate science says is necessary to meet the goals of the Paris Agreement, to limit global warming to well below 2 degrees above pre-industrial levels and pursue efforts to limit warming to 1.5 degrees. If companies did not submit their targets for validation, they were asked for a justification.
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	<Not Applicable>	<Not Applicable>

## C15. 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.**

Carbon footprint verification\_CaixaBank\_2019.pdf  
CAIXABANK\_Informe\_2019.pdf  
StatementonClimateChange\_CaixaBank\_2019.pdf  
Environmental\_Risk\_Management\_Policy.pdf  
VIDACAIXA\_Sustainability and Socially Responsible Investment Report\_2019.pdf  
CaixaBank Asset Management\_Socially Responsible Investment Policy.pdf  
Consolidated Management Report\_CaixaBank\_2019.pdf  
Environmental\_Management\_Plan\_CaixaBank\_2019\_2021.pdf  
VIDACAIXA\_PC30\_Informe de sostenibilidad\_2019.pdf  
Environmental\_Declaration\_2019.pdf  
CaixaBank Asset Management\_Proxy Voting Policy.pdf  
Montserrat Forest Project\_CaixaBank.pdf  
CaixaBank Group\_Socioeconomic impact\_2019.pdf  
RE100 Reporting Spreadsheet 2020\_CaixaBank.xlsx  
Certificate Clean CO2\_CaixaBank\_emissions 2019.pdf  
Cikel Brazilian Amazon REDD APD Project Management.pdf  
Teruel Forest Project\_CaixaBank.pdf  
Carbon footprint\_CaixaBank\_2019.pdf

## C15.1

**(C15.1) 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**

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

**Please state the main reason why you are declining to respond to your Customers**

Prefer to work directly with customer, not through a third party

**Please confirm below**

I have read and accept the applicable Terms