

Respuesta cuestionario CDP

2018

C0. Introduction

C0.1

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

CaixaBank is an integrated financial group that operates a banking business, conducts insurance activities and is a shareholder in international banks. It also has interests in leading service sector companies. CaixaBank is the leading financial group in the Spanish market with active assets valued in EUR 383.186 million as of 31 December 2017.

CaixaBank is listed in the top sustainability indexes worldwide: Dow Jones Sustainability Index (DJSI), FTSE4Good and Advanced Sustainable Performance Indexes (ASPI), scoring A in CDP the last four years.

In 2017 the Group had six key business lines serving around 13.8 million customers in individual banking, personal banking and private banking for individual customers and banking for SMEs, business banking, and corporate banking for enterprises. CaixaBank rounds out its portfolio of banking products and services with the specialized services of its pension and life insurance business. The insurance group offers an extensive array of pension plans, life insurance products and risk-life insurance for individuals and businesses. CaixaBank's subsidiaries provide operational support to the banking activity.

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

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

Some of the awards obtained by CaixaBank in 2017 include: Best Bank in Spain and Best Private Bank in Spain (by Euromoney); Best Bank in Spain and Best Digital Bank in Spain and Western Europe (by Global Finance); and Best Private Bank in Europe regarding Customer Service (by the Banker).

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

CaixaBank's environmental and energy policy focuses on:

- 1) Guaranteeing compliance with legislation and environmental and energy regulations applicable to its activities, as well as other

commitments that the institution has taken on voluntarily.

2) Raising awareness and employee engagement in Climate Change related issues.

3) Incorporating social and environmental criteria into business strategies, products, financing services and investment policy. This includes the management of risks and opportunities associated with them.

4) Developing a business aimed at fostering renewable energies and promoting the purchase of energy efficient products and services designed to improve and optimise energy use.

5) Engaging with suppliers, so that they commit to Caixabank's corporate social responsibility and environmental and energy policy.

6) Supporting initiatives that are geared towards preventing, mitigating, adapting or responding to climate change.

7) Communicating these measures to clients, stakeholders and society in general using the (a) Environmental Declaration, (b) Integrated Corporate Report and socio-economic Impact Report, (c) responding to the CDP questionnaire, (d) in the environment section at the Corporate Responsibility website and (e) by certifying the Environmental Management System under the international ISO 14001 standard and the European 1221/2009 EMAS regulation.

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

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

C0.2

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

| | Start date | End date | Indicate if you are providing emissions data for past reporting years | Select the number of past reporting years you will be providing emissions data for |
|-------|------------------|------------------|---|--|
| Row 1 | January 1 2017 | December 31 2017 | No | <Not Applicable> |
| Row 2 | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Row 3 | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Row 4 | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |

C0.3

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

Spain

C0.4

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

EUR

C0.5

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

Operational control

C1. Governance

C1.1

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

Yes

C1.1a

(C1.1a) Identify the position(s) of the individual(s) on the board with responsibility for climate-related issues.

| Position of individual(s) | Please explain |
|---------------------------|--|
| Board/Executive board | The Board of Directors is responsible for the approval of CaixaBank's CSR strategy and action plans, which include climate-related issues. In addition, risk management policies (including climate policies) are sometimes also reviewed and approved by the Board of Directors, depending on the relevance of the topic. CaixaBank's responsibilities with respect to its strategy and action plans on relevant matters are assigned to board level and climate issues are considered among the relevant matters as they imply relevant R&O for the bank. This assignment is thus located within Board level because climate-related issues affect the whole company and its operations. The highest responsibilities for these issues are assigned to this position as it has an oversight of all climate-related matters and the final responsibility to approve these. 2 of the 5 lines of CaixaBank's CSR Master Plan are Governance (contemplates ESG risk management policies) and Environment (includes other climate-related issues) |

C1.1b

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

| Frequency with which climate-related issues are a scheduled agenda item | Governance mechanisms into which climate-related issues are integrated | Please explain |
|---|--|---|
| Scheduled – some meetings | Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Monitoring and overseeing progress against goals and targets for addressing climate-related issues | 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, in December 2017 it approved CaixaBank’s CSR Master Plan, which includes 5 key lines: the second, Governance, contemplates ESG risk management policies; the third is Environment, and includes other climate-related issues. This CSR Master Plan was then submitted to the Board of Directors, who approved it. A report on the evolution of CSR Strategic Plan (which includes climate-related issues on two of its five key lines) is reviewed biannually. 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. Risk management policies (including climate-related policies and the related relevant KPI's) are also reviewed by the Risk Committee of the Board of Directors and, depending on the relevance of the topic, they are also reviewed and approved by the Board of Directors. |

C1.2

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

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

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored.

The CSO (in CaixaBank this is the Executive Director of Communication, Institutional Relations, Brand and CSR) sits at the Management Committee of the Company (the highest body below Board level). The role of the CSO includes assessing and managing/supervising the management of climate/related risks and opportunities and recommending action plans, KPIs, etc.

Any climate/related issue is presented at the (weekly) Management Committee and relevant, urgent issues are reviewed earlier by the CEO, if needed. For instance, CaixaBank's Carbon Neutral strategy was reviewed by the Management Committee in June. And the CEO reviewed CaixaBank's renewed Environmental Strategy prior to its presentation to the CRCR and the Management Committee.

The CSR chairs the Corporate Responsibility and Reputation (CRCR), a Committee with top/level members (including representatives of Business, Risks, Compliance, Legal, Human Resources, International, and Resources) which oversees CSR management on a monthly basis, including climate-related issues. I.e.g. in June, the CRCR reviewed CaixaBank's Environmental Plan and its evolution. From 2018, there are two CRCR Committees, a monthly one for CaixaBank and a quarterly one for its subsidiaries. However, relevant issues arising from the subsidiaries (i.e.g. asset management committee) are reviewed at the monthly committee, if needed.

In this sense, the highest-level responsibilities for the management of climate-related issues have been assigned to this position as the CSO is the most senior individual with executive power over the management of day-to-day tasks regarding climate-related issues, and thus it is the position that holds ultimate responsibility for the management of these matters. As explained above, the position sits at the Management Committee and thus it has the ultimate responsibility regarding the assessment and management of R&O, CaixaBank's environmental and climate change strategy, recommendation of action plans, etc

C1.3

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

Yes

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues.

Who is entitled to benefit from these incentives?

Other C-Suite Officer

Types of incentives

Monetary reward

Activity incentivized

Efficiency project

Comment

This incentive is granted to the executive director for the fulfilment of the Socially Responsible Banking Plan, which is based on five priority axes, being natural environment one of them. This axe is focused on collaborating as much as possible in the fight against climate change through the management of climate risk, the progressive integration of environmental criteria in the portfolio and the reduction of the carbon footprint through the implementation of several efficiency projects and emission reductions projects, among others

Who is entitled to benefit from these incentives?

Chief Executive Officer (CEO)

Types of incentives

Monetary reward

Activity incentivized

Other, please specify (Green production)

Comment

This incentive is granted to the increase and success of business lines related to Climate Change opportunities. For example, CaixaBank is involved in the financing of renewable energies projects, which directly affect and reduce the GHG emissions. The indicator for awarding bonuses is based on the performance of the commercial network. The bonus may be a fixed or variable amount in addition to incentive schemes, benefits which may include pension plans and insurances and, where appropriate, social security payments. Directors carrying out executive duties at the company are entitled to receive these for these duties (including the business executive director, the steering committee and the CEO).

Who is entitled to benefit from these incentives?

Executive officer

Types of incentives

Monetary reward

Activity incentivized

Energy reduction target

Comment

This incentive is granted to the improvement of the efficiency rate (to which environmental efficiency contributes), which is one the key strategic goals. Executive pay (for executive members of the Board of Directors) is partially linked to its achievement.

Who is entitled to benefit from these incentives?

Environment/Sustainability manager

Types of incentives

Monetary reward

Activity incentivized

Other, please specify (Environmental performance targets)

Comment

This incentive is granted for the achievement of individual targets managed by the Corporate Responsibility team. These targets contribute to the progress of the environmental and sustainability performance of CaixaBank. The actions incentivized include: improving the performance in Sustainability Indexes (FTSE4Good, DJSI, etc.); promoting the offer of green products of CaixaBank; updating the procedures to meet the Equator Principles and making progress in their implementation criteria when financing other areas. These kinds of indexes take into account the Climate change performance of the company, the green products offered, etc. Finally, the Equator Principles establish climate change mitigation procedures and criteria for financing certain projects. These bonuses directly affect the effort to improve the individual and group involvement on Climate Change and the reduction of GHG emissions. The receivers of this incentive include, besides Environment/Sustainability managers, the business unit manager and other-c suite officers.

Who is entitled to benefit from these incentives?

Other, please specify (General Service Managers)

Types of incentives

Monetary reward

Activity incentivized

Emissions reduction target

Comment

This incentive is granted to the Environment/Sustainability managers and to the General Service Managers for the achievement of goals related to (i) the maintenance of the internal environmental site designed to raise awareness and promote best practices among the employees and (ii) the improvement and renewal of the ISO 14001 and EMAS certification. Since the targets established in the ISO and EMAS include the reduction in emissions and energy consumption, the incentives are directly related to the management of the Climate Change within the company, especially those addressing emissions and energy reduction. The employees of the Management Group working in the Department of General Services Administration are awarded with bonuses when these goals are achieved.

Who is entitled to benefit from these incentives?

All employees

Types of incentives

Monetary reward

Activity incentivized

Emissions reduction project

Comment

This target is granted to all employees working on the product management of the online banking service for the achievement of an increased use of the online banking service Línea Abierta. This is quantified by an increase on the number of new clients and the number of operations through the online banking service. A key aspect of the business strategy is the promotion of online banking, which promotes the reduction of energy consumption and CO2 emissions related due to a reduced need for offices. Therefore, this incentive, which consists on a present, promotes emissions and energy reduction that affect the Climate Change performance of the company. In addition, there is obligatory training for the 100% workforce in compliance including mandatory legal aspects, which considers several environmental topics.

Who is entitled to benefit from these incentives?

Chief Sustainability Officer (CSO)

Types of incentives

Recognition (non-monetary)

Activity incentivized

Other, please specify (Good work performance)

Comment

There is internal recognition by the Directive Committee for the good work performance/job well done and the degree of achievement regarding the actions and objectives of the environmental line within Caixabank's Master Plan. This is presented to the Directive Committee, the Appointments Committee and the Executive Committee. The receivers of this incentive include, besides the CSO, the business unit manager and Environment/Sustainability manager

C2. Risks and opportunities

C2.1

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

| | From (years) | To (years) | Comment |
|-------------|-----------------|---------------|--|
| Short-term | 0 | 3 | |
| Medium-term | 3 | 6 | |
| Long-term | 6 | 83 | In the context of climate-related risks and opportunities, Caixabanks considers long-term until the year 2100, which explains the value in the previous column (2100-2017=83). |

C2.2

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

A specific climate change risk identification, assessment, and management process

C2.2a

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

| | Frequency of monitoring | How far into the future are risks considered? | Comment |
|-------|-------------------------|---|---------|
| Row 1 | Annually | >6 years | |

C2.2b

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

In 2017, CaixaBank worked on the drafting of a strategic report on R&O arising from climate change (CC), which has enabled the entity to obtain a detailed analysis of the main impacts of CC at both company and asset level, on the different business areas, their magnitude, their performance potential and the cost of implementing the measures required to address them. This strategic report takes into account the recommendations by the Financial Stability Board (TCFD) and enables CaixaBank to anticipate the risks arising from CC and to benefit from the opportunities that may arise therefrom. Internal interviews are conducted with the Risk department and the areas affected by each risk in order to prioritize the risk previously identified. Financial implications of climate-related risks are assessed, qualitatively for all scenarios considered and quantitatively for the most relevant. This allows CaixaBank to define action policies and tolerance thresholds that provide a reasonable guarantee of the achievement of objectives. Thus, the Group undertook a specific CC risk identification and assessment process where the most representative areas and subsidiaries (CSR, SUMASA, BuildingCenter, Project Finance, AgroBank, CaixaBank Equipment Finance, etc.) contributed to the identification, weight and prioritization of climate-related R&O. The specific process is the following:

Each area identifies climate related R&O according to TCFD categories: Transition Risks and Physical Risks and Opportunities in the areas of Resource Efficiency, Energy Sources, Products and Services, Markets and Resilience. The climate related R&O identified are treated separately, considering each of the potential financial impacts at CaixaBank Group (Revenues, Expenditures, Assets and Liabilities and Capital) their affection to each business unit or subsidiary as well as to the entire Group and their impact on the Stakeholders. At company level, the risks identification includes aspects such as reputation, legal requirements, stakeholder's impact, global expenses and global incomes among others that can affect the entire Group. At asset level, the annually conducted risk evaluations take into account the physical risks such as extreme meteorological phenomena derived from CC that can affect facilities, Central Services buildings or the branch network offices.

Once the R&O have been identified and described for each area or subsidiary at both asset and company level, the participants of the workshops conducted determine the likelihood of the potential financial impacts in the short, medium or long term (being unlikely, more unlikely than likely, likely, very likely or unknown), the gross impact magnitude (being low, low-medium, medium, medium-high, high or unknown) and the net impact magnitude (being low, low-medium, medium, medium-high, high or unknown) taking into account the impact after CaixaBank Group management, which pretends to reduce the gross impact magnitude. Relevant climate-related risks are those whose likelihood was determined to be likely or very likely and whose gross impact was determined to be medium or higher. As mentioned, results from the climate-related scenarios analysis carried out are taken into account (see question C3.1d for more details), as scenario parameters have been associated to the identified R&O with medium or higher impact account in the R&O assessment (see C2.3a and C2.4a). All of the above mentioned allows Caixabank to prioritize risks and determine where to take action first.

The environmental committee reports the prioritized R&O to the Operational Risk area. This area manages and updates a Corporate Risk Map that integrates all relevant and prioritized risks from the different areas and topics in a management tool. The consequences that these risks could imply at an economic level are assessed at a global scale. The risks are prioritized using indicators, based on costs, and also on a matrix that links the relationship between risks. The results are communicated to the Board of Directors through the Risk Committee. ESG risks with a reputational impact are managed through the Corporate Responsibility and Reputation Committee, which has been restructured in 2017, providing it with an executive role and with a monthly frequency. 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.

When assessing climate-related risks, Caixabank has an internal risk categorization by cost regarding operational losses, based on the expected loss and on the value at risk. According to this, risks are categorised as with low criticality (where the expected loss is under 10.000 EUR and the value at risk is under 100.000 EUR), moderate criticality, high criticality and finally very high criticality (where the expected loss is over 1.00.000 EUR and the value at risk is under 10.000.000 EUR).

C2.2c

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

| | Relevance & inclusion | Please explain |
|---------------------|---------------------------|--|
| Current regulation | Relevant, always included | As explained in detail in question C2.2b (see the question for more information on the risk assessment process), CaixaBank undertakes a specific climate change risk identification and assessment process according to the TCFD recommendations where the most representative areas and subsidiaries (CSR, SUMASA, BuildingCenter, Project Finance, AgroBank, CaixaBank Equipment Finance, etc.) contribute to the identification, weight and prioritization of Climate Change R&O. Each area identifies different types of R&O, including the current regulation's risk types. This risk type is included in this process as it is considered relevant for the Group due to its potential substantial impact it can have on the Group. Therefore, this risk type is always considered and assessed annually by CaixaBank. As an example of this risk type is the increased operational cost if the bank is not able to comply with regulations regarding refrigerant gases including the substitution of the most pollutant or the requirements to prevent leaks, such as the Spanish Royal Decree 115/2017, derived from the European regulation 517/2014. |
| Emerging regulation | Relevant, always included | As explained in detail in question C2.2b (see the question for more information on the risk assessment process), CaixaBank undertakes a specific climate change risk identification and assessment process according to the TCFD recommendations where the most representative areas and subsidiaries (CSR, SUMASA, BuildingCenter, Project Finance, AgroBank, CaixaBank Equipment Finance, etc.) contribute to the identification, weight and prioritization of Climate Change R&O. Each area identifies different types of R&O, including the emerging regulation's risk types. This risk type is included in this process as it is considered relevant for the Group due to its potential substantial impact it can have on the Group. Therefore, this risk type is always considered and assessed annually by CaixaBank. As an example of this risk type, the associated with the possible increased operational costs as a result of tax increases on electricity, fuels and water (related to price of HVAC, transportation, etc.). This would imply an increase in the economic cost of purchasing electricity, gasoline, diesel and water both for the central services and the network offices of CaixaBank, as a result of this government measure (tax). |
| Technology | Relevant, always included | As explained in detail in question C2.2b (see the question for more information on the risk assessment process), CaixaBank undertakes a specific climate change risk identification and assessment process according to the TCFD recommendations where the most representative areas and subsidiaries (CSR, SUMASA, BuildingCenter, Project Finance, AgroBank, CaixaBank Equipment Finance, etc.) contribute to the identification, weight and prioritization of Climate Change R&O. Each area identifies different types of R&O, including the technology's risk types. This risk type is included in this process as it is considered relevant for the Group due to its potential substantial impact it can have on the Group. Therefore, this risk type is always considered and assessed annually by CaixaBank. As an example of this risk type, the reduced revenues due to financing or investing poor environmental performance companies (with regard to climate change and / or poor disclosure of its strategy). Some examples of transition to lower emission technologies in industry might be the migration from petrol/diesel to natural gas at industrial boilers, or the installation of a cogeneration plant in order to decrease fuel consumption and improve efficiency. |
| Legal | Relevant, always included | As explained in detail in question C2.2b (see the question for more information on the risk assessment process), CaixaBank undertakes a specific climate change risk identification and assessment process according to the TCFD recommendations where the most representative areas and subsidiaries (CSR, SUMASA, BuildingCenter, Project Finance, AgroBank, CaixaBank Equipment Finance, etc.) contribute to the identification, weight and prioritization of Climate Change R&O. Each area identifies different types of R&O, including the legal's risk types. This risk type is included in this process as it is considered relevant for the Group due to its potential substantial impact it can have on the Group. Therefore, this risk type is always considered and assessed annually by CaixaBank. As an example of this risk type, the increased cost for CaixaBank's customers in order to comply with environmental legal requirements (for example, energy and utilities sector, as well as transport, chemical and livestock sector can potentially be affected). Failure in complying could affect its solvency / ability to pay. Thus, this is an example of a legal risk associated with our client's potential inability to comply with general environmental regulations, that could lead to withdrawal of environmental or operational permits and consequentially, this could affect their solvency, and therefore generates a risk of credit repayment. |
| Market | Relevant, always included | As explained in detail in question C2.2b (see the question for more information on the risk assessment process), CaixaBank undertakes a specific climate change risk identification and assessment process according to the TCFD recommendations where the most representative areas and subsidiaries (CSR, SUMASA, BuildingCenter, Project Finance, AgroBank, CaixaBank Equipment Finance, etc.) contribute to the identification, weight and prioritization of Climate Change R&O. Each area identifies different types of R&O, including the market's risk types. This risk type is included in this process as it is considered relevant for the Group due to its potential substantial impact it can have on the Group. Therefore, this risk type is always considered and assessed annually by CaixaBank. As an example of this risk type, the increased production costs due to changing input prices (e.g. water or raw materials for cement production) and output requirements (e.g. water treatment or concrete manufacturing) for the customers and/or companies in the investing portfolio depending on natural resources that affect their credit solvency. This risk could impact mainly on the AgroBank's activity of CaixaBank. Another related example, |
| Reputation | Relevant, always included | As explained in detail in question C2.2b (see the question for more information on the risk assessment process), CaixaBank undertakes a specific climate change risk identification and assessment process where the most representative areas and subsidiaries (CSR, SUMASA, BuildingCenter, Project Finance, AgroBank, CaixaBank Equipment Finance, etc.) contribute to the identification, weight and prioritization of Climate Change R&O. Each area identifies different types of R&O, including the reputation's risk types. This risk type is included in this process as it is considered relevant for the Group due to its potential substantial impact it can have on the Group. Therefore, this risk type is always considered and assessed annually by CaixaBank. As an example of this risk type, the reduced revenues from CaixaBank's services and products due to a bad perception of the customer about CaixaBank's products adapted to the sustainable approach they are seeking. CaixaBank can be directly affected by the change on the consumers' behaviour, as they may opt for other banks that offer the sustainable approach in the services they are seeking. |
| Acute physical | Relevant, always included | As explained in detail in question C2.2b (see the question for more information on the risk assessment process), CaixaBank undertakes a specific climate change risk identification and assessment process according to the TCFD recommendations where the most representative areas and subsidiaries (CSR, SUMASA, BuildingCenter, Project Finance, AgroBank, CaixaBank Equipment Finance, etc.) contribute to the identification, weight and prioritization of Climate Change R&O. Each area identifies different types of R&O, including the acute physical risk types. This risk type is included in this process as it is considered relevant for the Group due to its potential substantial impact it can have on the Group. Therefore, this risk type is always considered and assessed annually by CaixaBank. As an example of this risk type, the decrease in revenue from the inability to do business (and thus reduced revenues from lower sales/output), as a result of extreme weather events and changes in the physical parameters that may affect the business continuity of CaixaBank, especially the activities at the headquarters and the network of offices. The direct consequences of changes in the physical risks such as floods, extreme precipitation, snow, etc. could damage the daily business income in CaixaBank headquarters, CaixaBank's branch network, etc. due to the inability to do business. |

| | Relevance & inclusion | Please explain |
|------------------|---------------------------|---|
| Chronic physical | Relevant, always included | As explained in detail in question C2.2b (see the question for more information on the risk assessment process), CaixaBank a specific climate change risk identification and assessment process according to the TCFD recommendations where the most representative areas and subsidiaries (CSR, SUMASA, BuildingCenter, Project Finance, AgroBank, CaixaBank Equipment Finance, etc.) contribute to the identification, weight and prioritization of Climate Change R&O. Each area identifies different types of R&O, including the chronic physical risk types. This risk type is included in this process as it is considered relevant for the Group due to its potential substantial impact it can have on the Group. Therefore, this risk type is always considered and assessed annually by CaixaBank. As an example of this risk type, the reduce revenues from the insurance business as a result of increased insurance premiums and potential for reduced availability of insurance on assets in "high-risk" locations, such us facilities in flood areas or agricultural crops that could be affected by droughts, fires or hail in Spain. Another example of a chronical physical risk is the increased refrigeration costs at the offices network, due to more energy consumption and more refrigerant gases usage (both involving an increase of GHG emissions) as a result of the increasing temperatures. |
| Upstream | Relevant, always included | As explained in detail in question C2.2b (see the question for more information on the risk assessment process), CaixaBank undertakes a specific climate change risk identification and assessment process according to the TCFD recommendations where the most representative areas and subsidiaries (CSR, SUMASA, BuildingCenter, Project Finance, AgroBank, CaixaBank Equipment Finance, etc.) contribute to the identification, weight and prioritization of Climate Change R&O. Each area identifies different types of R&O, including the upstream risk types. This risk type is included in this process, even though it is not considered as one of the most relevant risk types due to the fact that CaixaBank provides an intangible service, which means there is very little upstream transportation of goods. But it is included in this process as it might be more relevant in the future and thus have a bigger impact. As an example of this risk type, the increased operational costs due to tax increases on electricity and fuels, which could affect the cost of transportation of purchased goods, such as paper, toner and also capital goods such as computers, printers, etc. |
| Downstream | Relevant, always included | As explained in detail in question C2.2b (see the question for more information on the risk assessment process), CaixaBank undertakes a specific climate change risk identification and assessment process according to the TCFD recommendations where the most representative areas and subsidiaries (CSR, SUMASA, BuildingCenter, Project Finance, AgroBank, CaixaBank Equipment Finance, etc.) contribute to the identification, weight and prioritization of Climate Change R&O. Each area identifies different types of R&O, including downstream risk types. This risk type is included in this process as it is considered relevant for the Group due to its potential substantial impact it can have on the Group. Therefore, this risk type is always considered and assessed annually by CaixaBank. As an example of this risk type, the ncreased cost for customers in order to comply with environmental legal requirements (for example, energy and utilities sector, as well as transport, chemical and livestock sector can potentially be affected). Failure in complying could affect its solvency / ability to pay. Thus, this is an example of a downstream risk associated with our client's potential inability to comply with general environmental regulations, that could lead to withdrawal of environmental or operational permits and consequentially, this could affect their solvency, and therefore generates a risk of credit repayment. |

C2.2d

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

CaixaBank Group has put in place an effective system for risk management and control, in line with its business model, the expectations of its stakeholders and best international practices. CaixaBank Group's risk management system comprises of its governance, organisation structure and risk committees; the corporate risk map; the risk appetite framework (RAF); risk planning and assessment; the risk culture; and the internal control framework. As mentioned, in 2017 and taking into account TCFD recommendations, CaixaBank Group renewed its procedure for identifying climate-related R&O at both company and asset level, assessing the magnitude of their potential impacts, prioritizing them and defining specific actions to manage them.

Once the R&O are identified, described, quantified and prioritised (see more details in question C2.2b) they are managed in order to mitigate the risks or take advantage of the opportunities. The management process for climate related risks (both transitional and physical risks) is as follows: The environmental committee reports the prioritized R&O to the Operational Risk area. This area manages and updates a Corporate Risk Map that integrates all relevant and prioritized risks from the different areas and topics in a management tool. Here the consequences that these risks could imply at an economic level are assessed at a global scale. The risks are prioritized using indicators, based on costs, and also on a matrix that links the relationship between risks. The results are communicated to the Board of Directors through the Risk Committee. From here, the risks are managed by the corresponding team/department implementing the specific actions to manage the risk.

While the Environment Committee and the Board of Directors hold the highest responsibility for Climate change, other corporate bodies are involved in the process when necessary. For instance, there is the Corporate Reputation Committee in charge of managing and monitoring reputational risks, which include environmental and CC related ones. This committee is chaired by the Deputy General Manager of Communication, Institutional Relations, Brand and CSR. Senior managers from various areas of the entity, which are also represented in the Corporate Responsibility Committee. The areas of the entity include Communication, Corporate Responsibility, Audits, Marketing, General Risk Management, Quality, Brand, General Services, Human Resources, Welfare Projects and Management in different geographical areas.

As an example, once the transitional risk associated to increased operational costs due to tax increases on electricity is identified as a priority (as it was assessed with a likelihood of "very likely" and a gross impact of "medium-high"), it is reported to the Operational Risk, prioritized in the management tool and eventually, after being communicated to the board of directors, the risk is managed by the Environmental Committee, who implemented specific actions to manage the risk, such as the development of energy efficiency projects (3 main projects related to energy efficiency, including domotics, installment of LED lightning and replacement of acclimatization equipments for more efficient ones). Regarding an example of a physical risk, such as the one associated to the reduced revenues from the insurance business as a result of changes in the climate patterns (e.g decrease or lack of rain), it follows the same process (as it was assessed with a likelihood of "likely" and a gross impact of "medium"), but in this case the risk is managed by SegurCaixa Adeslas, who bases the insurances on the expected loss and the prices are set with a system of a risk-adjusted return which, based on the premium coverage, ensures an appropriate return ratio. In addition, the group also collects useful data from the years with extreme climate events to be used in the future contracts of insurance in these sectors through promoting research with the ClimaDat project and using this data obtained. This project is developed with the collaboration agreement established between "la Caixa" Foundation, the Catalan Institute of Climate Sciences (IC3) and the Autonomous Communities of Spain.

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

C2.3

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

Yes

C2.3a

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

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Transition risk

Primary climate-related risk driver

Policy and legal: Other

Type of financial impact driver

Policy and legal: Increased operating costs (e.g., higher compliance costs, increased insurance premiums)

Company- specific description

This risk that would affect the Group is associated to the increased operational costs due to tax increases on electricity, fuels and water (related to price of HVAC, transportation, etc.). This would imply an increase in the economic cost of purchasing electricity, gasoline, diesel and water both for the central services and the network offices. This expected increase in energy costs may arise from government measures (taxes), market causes or a combination of both. For this reason, CaixaBank conducts actions to reduce energy consumption. In addition, 99 % of the energy consumed is from renewable sources, which is a way of mitigating part of this risk.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium-high

Potential financial impact

30222000

Explanation of financial impact

It is difficult to predict what will be the increase in these taxes, due to the many factors that affect it. As a way to make an estimation, assuming a proportional increase in the electricity prices between 2-5% (based on the evolution of electricity prices in Spain in the period 2008-2016 from EUROSTAT), the estimated financial implications are an operational cost increase of around 30,222,000 EUR. This value corresponds to the 3,5% (average of 2-5%) increase of CaixaBank's electricity cost in 2017, which was of 29.2 M EUR.

Management method

The cost of managing this risk is directly associated with the investment in energy efficiency. In 2017 this meant an investment for CaixaBank of around 13.5 M EUR. This includes 3 main projects related to energy efficiency that CaixaBank started implementing in 2017, including domotics, installment of LED lightning and replacement of acclimatization equipments for more efficient ones. More details as to these investments are described in section C4.3b of this questionnaire

Cost of management

13500000

Comment

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Customer

Risk type

Transition risk

Primary climate-related risk driver

Policy and legal: Exposure to litigation

Type of financial impact driver

Policy and legal: Write-offs, asset impairment, and early retirement of existing assets due to policy changes

Company- specific description

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

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium

Potential financial impact

2821000000

Explanation of financial impact

The financial implications associated to this risk depend on the kind of client affected by the specific environmental regulation. Taking the agrarian sector of the "description" column as an example: if the sector became unable to operate and led to bankruptcy (and, therefore, unable to repay credits) losses may rise to 2,821 M EUR per year

Management method

CaixaBank has already implemented measures to manage this risk. Risks related to exposure to litigation are implicit in the risks admission criteria. The prevention measures implemented in the model for admitting CaixaBank Group risk are robust, considering its procedure manual and requiring certain documentation as part of the due diligence process. Energy and food sectors are highly regulated, so that environmental compliance is a mandatory criteria to operate. For both of them, the Group has specialized teams that identify and evaluate the associated risks in the process of risk acceptance as a pre-stage to finance any operation. These teams control that each of the new energy, utilities, agrarian or livestock projects that are funded through CaixaBank loans comply with the environmental regulations. In addition, new regulations that affect the sector are monitored. For projects that need an investment higher than 7 M EUR CaixaBank Group follows the Equator Principles and therefore it is mandatory to define and adopt actions to reduce the magnitude and likelihood of this risk in a continuous and preventive manner. The cost of managing this risk relies mainly on the wage of the above mentioned team of specialists on risk analysis of the agrarian and livestock sector that is responsible for developing preventive actions that enable us to reduce the financial risk of the projects that we fund within this sector. The cost is about 1,125,000 EUR a year.

Cost of management

1125000

Comment

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Please select

Risk type

Transition risk

Primary climate-related risk driver

Technology: Costs to transition to lower emissions technology

Type of financial impact driver

Other, please specify (Technology: Reduced revenues)

Company- specific description

This risk is associated to the reduced revenues of CaixaBank due to financing or investing poor environmental performance companies (with regard to climate change and / or poor disclosure of its strategy). The potential financial impact comes from the climate-related risks of CaixaBank's equity portfolio. In this sense, it is considered the risk of the company to not be able to adapt their product portfolio and its assets to the requirements of low-emissions society. For example, an increased competition from renewable energy and from the commercialization of hybrid and fully electric vehicles could reduce demand for GHG intensive products. This could be considered a commercial risk that would erode the competitiveness of companies which are not able to adapt to this shift in consumption patterns. Some other examples of transition to lower emission technologies in industry might be the migration from petrol/diesel to natural gas at industrial boilers, or the installation of a cogeneration plant in order to decrease fuel consumption and improve efficiency.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium

Potential financial impact

2960000

Explanation of financial impact

The potential financial impact is associated to the reduced revenues of CaixaBank due to financing or investing poor environmental performance companies and this financial impact comes from the climate-related risks of CaixaBank's equity portfolio. As an approximation, the calculation of the financial impact value is based on the risk assessment performed by Repsol, where they assess that climate change could become a commercial risk if Repsol is not able to adapt their product portfolio and its assets to the requirements of low-emissions society. Consequently, CaixaBank estimated the potential financial impact from this risk is around 2.96 M EUR.

Management method

CaixaBank has already implemented measures to manage this risk. After risk admission, CaixaBank Group takes in place its Risk Following Process. It consists of addressing the portfolio through two different models: (i) Corrective mathematical models, applied to every portfolio, through which a series of rules are applied in order to detect behavioral and financial factors that could affect. (ii) Expert analysis, performed by an expert team, including documented results in the following areas: economic-financial, activity sector, geographic diversification, country risk, etc. VidaCaixa and CaixaBank Asset Management have a highly diversified portfolio and are adhered to the UN Principles for Responsible Investment. CaixaBank Asset Management tracks reference indexes which includes large companies in different sectors while VidaCaixa is working to assess not only financial aspects but ESG aspects in their decision making process. The cost of managing this risk relies mainly on the wage of this team, which is about 769,000 EUR a year.

Cost of management

769000

Comment

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Transition risk

Primary climate-related risk driver

Reputation: Increased stakeholder concern or negative stakeholder feedback

Type of financial impact driver

Reputation: Reduced revenue from decreased production capacity (e.g., delayed planning approvals, supply chain interruptions)

Company- specific description

This risk is associated to the reduced revenues from services and products of the CaixaBank due to a bad perception of the customer about CaixaBank's products adapted to the sustainable approach they are seeking. CaixaBank can be directly affected by the change on the consumers' behaviour. 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.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium

Potential financial impact

2448000000

Explanation of financial impact

The main financial implications of this risk would be the reduction of revenue from the reduced demand for goods or services. As an estimation of the volume of this risk, two economic values are considered: (i) in 2017 648 ecoLoans and ecoMicrocredits were arranged, with a value of €6.70 M EUR. These are to acquire efficient vehicles and electrical appliances, cars and to carry out home refurbishments to improve energy efficiency as well as to make investments that improve efficiency in the consumption of ecological resources, products and services, such as ecotourism, waste treatment and recycling, etc. And (ii) throughout 2017, CaixaBank had an environmental production of 2,448 M EUR, among renewable energy projects, efficient real state financing, sustainable tourism, green loans, efficient transport, ecological agriculture, among others.

Management method

The Group identifies the stakeholders that would mostly influence the decrease of the demand in CaixaBank's products (investors, clients, organizations). CaixaBank also promotes the offer of green products, such as EcoMicroCredits, the Green account of MicroBank; and the Microbank Ecological Fund. 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 has been created, in a quarterly basis. The cost of management of this risk is around 750,000 EUR, which corresponds to the sum of the average yearly wage of 10 managers working in these matters on developing the Corporate Social Responsibility. The costs of offering the Green Account and EcoMicroCredits are part of the regular business

Cost of management

750000

Comment

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

Identifier

Risk 5

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Physical risk

Primary climate-related risk driver

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

Type of financial impact driver

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

Company- specific description

The risk is associated to the increase in operational costs as well as capital costs as a result of impacts on the continuity of the services and the inability to do business, in relation to the uncertainty of extreme weather events and changes in the physical parameters that may affect the business continuity of CaixaBank, especially the activities at the headquarters and the network of offices. The direct consequences of changes in the physical risks such as floods, extreme precipitation, snow, etc. could damage the daily business income in CaixaBank headquarters, CaixaBank branch network, etc. due to the inability to do business.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Medium-high

Potential financial impact

435500000

Explanation of financial impact

This risk can 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 the extreme meteorological phenomena. The financial implications are estimated considering the increase in operational and capital costs in case of a catastrophic climate event impacted and damaged the SSCC buildings or the Data Processing Center (DPC). This financial impact is estimated to be of around 435.5 M EUR.

Management method

CaixaBank has implemented a Business Continuity Management System according to ISO22301:2012 certified by BSI. This action allows the group to continue with daily work even after unusual incidents such as fires, floods..During the years 2012-2013 Data Processing Center (DPC) was built, where we took into account measures to minimize possible damages of extreme climatic parameters that could occur in the place where the building was constructed. These measures were also taken into account in the construction of the second DPC in 2016. CaixaBank is currently building the third DPC. Before choosing the location of new DPCs, CaixaBank Facilities Management develops viability studies taking into account climate parameters. In terms of security, these centers have flood alarms and fire alarms in order to prevent associated risks to extreme weather events. Also, CaixaBank was designated as Critical Operator in July 2017 due to the implementation of the EU Council Directive 2008/114 on the identification and designation of European critical infrastructures and the assessment of the need to improve their protection. This Law, as well as the Spanish Committee on Business Stability (CESFI), requires CaixaBank to have Security and Protection Plans regarding its DPCs, including their installations in parallel connection in order to have a back-up and avoid possible breaks. The cost of managing this risk is 3.77 M EUR, which corresponds to the cost of investment of the DPC and its annual maintenance cost

Cost of management

3770000

Comment

C2.4

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

Yes

C2.4a

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

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient production and distribution processes

Type of financial impact driver

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

Company- specific description

This opportunity is associated to the reduced operational costs due to implementation of Voluntary Standards such as ISO14001, ISO 50001, Ecolabels and EMAS, which helps to reduce operational costs related to energy, water and paper consumption, emissions, etc.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Medium

Potential financial impact

1500000

Explanation of financial impact

The financial implications are associated to the reduction of operational costs as a result of reducing energy consumption through different actions implemented. Thus, in 2017 this cost reduction was around 1.5 M EUR, which was avoided due to the targets established through the EMS (e.g projects related to energy efficiency including domotics, installment of LED lightning and replacement of acclimatization equipments for more efficient ones).

Strategy to realize opportunity

CaixaBank is already conducting actions for taking advantage of this opportunity, first, by implementing several energy efficiency projects. In 2017, 3 main projects related to energy efficiency were implemented such as domotics, installment of LED lightning and replacement of acclimatization equipments for more efficient ones. Other methods to manage the opportunity include (1) the implementation and improvement of CaixaBank's Environmental Policy, EP. This is managed by the Environment Committee and is certified under the international ISO 14001 standard and the European 1221/2009 EMAS regulation, obtained yearly. During 2017, the scope of the ISO 14001 Certification was extended to the Corporative building of Caixabank in Madrid. The cost of managing this opportunity is directly associated with the budget for the team, tools, and infrastructure needed to design and guide the implementation of some of the actions of the Environmental Management System, which in 2017 accounted for around 13.5 Million EUR (also including the important revision of the Environmental Declaration, the establishment and monitoring of targets, the audit from AENOR, the environmental legislation database, etc.)

Cost to realize opportunity

13500000

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient production and distribution processes

Type of financial impact driver

Increased production capacity, resulting in increased revenues

Company- specific description

This opportunity is associated to increased revenues due to new credit and investment opportunities at new efficient production and

distribution processes (for example innovation with drones at the agricultural sector, or more efficient machinery at other industrial sectors). In this sense, since its launching in 2014, Agrobank, CaixaBank's business line specialized in the agricultural sector as well as in the agro-food industry, is rapidly expanding, achieving in 2017 a total of 875 branches and 342,350 customers.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium-high

Potential financial impact

2821000000

Explanation of financial impact

The financial implications are mainly related to the potential future credit and investment opportunities within the agricultural and agro-industrial sector. In this sense, and considering the mentioned expansion of the business line Agrobank since 2014 (achieving in 2017 a total of 875 branches and 342,350 customers), the increase in revenues could be of around 2,821 M EUR

Strategy to realize opportunity

Caixabank's line AgroBank collaborates with the Spanish Ministry of Industry and Environment in order to align its strategy to every future climate-related opportunity that might emerge. In addition, CaixaBank signs periodically with the European Investment Bank financing agreements for SMEs and midcaps for efficient projects. The funds mainly finance the investment projects in the industrial and services sectors excluding sectors and activities which give rise to environmental impacts. The eligible activities/investment components include modernization of equipment, investment in more efficient treatments resulting in environmental footprint, etc. The cost of realizing this opportunity is mainly associated to the wage of Agrobank's team, which is about 1,650,000 EUR a year.

Cost to realize opportunity

1650000

Comment

Identifier

Opp3

Where in the value chain does the opportunity occur?

Customer

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Type of financial impact driver

Increased revenue through demand for lower emissions products and services

Company- specific description

This opportunity is associated to the increased investors demanding for green bonds. According to the Climate Bonds Initiative, in 2018 a growth trend in the market is expected to continue, for issuance to reach USD250-300bn. The public sector, through sovereign and sub-sovereign issuance and innovative regulation, will increasingly create and shape markets with the milestone of reaching USD1 trillion in green bonds by 2020 growing in prominence as an international green finance objective. This would generate more access to capital when CaixaBank acts as a bond issuer, and increased revenues when it acts as a bond underwriter.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium

Potential financial impact

2050000000

Explanation of financial impact

The financial impact of this opportunity is related to the increased revenues from issuing green bonds and from participating as green agents in the issuing of green loans. In 2017, CaixaBank participated as a Joint Bookrunner in the allocation of green bonds for the investment in sustainable asset. Total revenues of all green bonds allocated accounted for 2,050 M EUR. This opportunity permits CaixaBank to obtain potential funds and to diversify the scope of investors.

Strategy to realize opportunity

The Group is taking action to assess the potential of this opportunity, mainly from Corporate and Institutional Banking, the corresponding department of this business line. The cost of realizing this opportunity is mainly associated to the wage of this team offering sustainable bonds, which is about 75,000 EUR a year.

Cost to realize opportunity

75000

Comment

Identifier

Opp4

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Type of financial impact driver

Other, please specify (more revenues from financing green proj.)

Increased revenues from financing "green projects"

Company- specific description

This opportunity is associated to the increased revenues from financing "green projects". 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. Also, CaixaBank grants ecoLoans and ecoMicrocredits for green purposes, such as purchasing efficient vehicles, investments that improve efficiency in the consumption of resources, ecological products, etc. Additionally, the wholesale green loan market is increasing since the first green loan issued in 2014. Thomson Reuters reported the volume of green loans syndicated in Europe to around 19 billion EUR as of March 2018. This rising trend creates an opportunity for CaixaBank as a Green Facility Agent.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

Medium-high

Potential financial impact

2448000000

Explanation of financial impact

As an estimation of the financial impact of this opportunity, throughout 2017, CaixaBank had an environmental production of 2,448 M EUR, among renewable energy projects, efficient real estate financing, sustainable tourism, green and ESG indexed loans, efficient transport, ecological agriculture, among others. Within the green loans, CaixaBank participated as green agent in 2 green loans and in 1 ESG indexed loan, summing a total amount of 348 M EUR.

Strategy to realize opportunity

CaixaBank is already managing this opportunity: The Group has developed different financing lines to support these green projects that contribute to prevent, mitigate and provide a response to climate change. The cost of managing this opportunity has been estimated to 375,000 EUR, corresponding to the annual average wages of the team working in this business line. CaixaBank has specific products and credit lines for those companies with responsible conduct and ESG performance, which also widens CaixaBank's product portfolio.

Cost to realize opportunity

375000

Comment

Identifier

Opp5

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Markets

Primary climate-related opportunity driver

Use of public-sector incentives

Type of financial impact driver

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

Company- specific description

This opportunity is associated to the increased revenues through the participation and agreements with public sector initiatives and investors and public agents (partnerships with banks such as European Investment Bank to promote the efficiency). The European Commission is working on a Sustainable Finance Plan and one of the potential impacts could be the decreasing capital requirements for investing or financing green assets. Additionally, VidaCaixa and CaixaBank Asset Management are adhered to the UN Principles for Responsible Investment, offering products with responsible investment that are increasingly demanded. Furthermore, CaixaBank has signed a Climate Action financing line with the European Investment Bank to grant funds to SMEs for climate investment projects.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium-high

Potential financial impact

54076

Explanation of financial impact

The estimation of the financial impact is related to the amount of money managed under group pension plans by VidaCaixa (8,769 M EUR), the investment managed in accordance with UNPRI in CaixaBank Asset Management (45,277 M EUR) and the Climate Action financing line signed with the European Investment Bank (30 M EUR).

Strategy to realize opportunity

Caixabank, through the work of the Environmental Committee, is already taking action to realize this opportunity. This committee is responsible for the entity's Environmental Management and it proposes, approves and rises to the Management Committee the environmental policy of the company and its amendments, as well as the environmental strategy, the adherence to national and international initiatives and the agreements signed related with sustainability. The cost of managing this opportunity has been estimated to 225,000 EUR, corresponding to the annual average wages of the team working on these matters.

Cost to realize opportunity

225000

Comment

C2.5

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

| | Impact | Description |
|--|--------|-------------|
|--|--------|-------------|

| | Impact | Description |
|--------------------------------------|----------|---|
| Products and services | Impacted | Caixabank has identified that CC poses an opportunity to develop more low-emissions products as well as a risk associated to reduced revenues from reduced demand of products and services. CaixaBank has kept taking action in order to reduce its climate change contribution, which is materialised in one of the 5 lines of action of CaixaBank's CSR Master Plan, approved in 2017, focused on the Environment, specifically through the promotion of the purchase of energy efficient products and services designed to improve and optimise energy use and integrating environmental criteria into its products and services. Identified R&O that have impacted this area of CaixaBank have been integrated into CaixaBank's business strategy and planning through the implementation of several actions in order to manage these R&O (see example of action below), through the monitoring of the annual sales of CaixaBank's "green" products (including EcoMicroCredits, the Green account of MicroBank, the Microbank Ecological Fund), through the work in research to develop more "green" products, among others. As an example of a risk that have impacted this area, the one associated with the reduced revenues from CaixaBank's services and products due to a bad perception of the customer about CaixaBank's products (as customers may opt for other banks that offer the sustainable approach in the services they are seeking). Some of the management actions carried out are the identification of the stakeholders that would mostly influence the decrease of the demand in CaixaBank's products and services due to a non-sustainable performance and the development of targets in its Environmental Statement and improve the inclusion and better performance in Sustainability Indexes and promoting the offer of green products. Besides, CaixaBank has started to calculate the carbon footprint of its funds. In 2016 an external advisor of VidaCaixa has calculated the carbon footprint of its pension plan (Pensions Caixa 30) through MSCI Carbon Portfolio Analytics. Therefore, this area has already been impacted and it is expected that it will continue to be impacted in the future years. Although the magnitude of the combined impact is difficult to assess, an approximation is the volume associated to CaixaBank's "green" products: in 2017, 648 ecoLoans and ecoMicrocredits were arranged, with a value of €6,70 M EUR. |
| Supply chain and/or value chain | Impacted | One of the most relevant issues related to Climate change identified into the CaixaBank's strategy considering its activity are related to customer demand and supplier's management. The Risk Global Management area, Project Finance, Corporate and Institutional Banking and AgroBank (commercial area specifically dedicated to the agribusiness sector) are the most exposed areas related to companies financing, especially to the high energy consumers, energy and utilities and infrastructure and agricultural sectors. CaixaBank has identified that policy changes regarding environmental regulations could affect its customers and their solvency/ability to pay. CaixaBank has integrated this risk into the business strategy and planning when evaluating its value chain by implementing robust prevention measures in the model for admitting CaixaBank Group risk, considering its procedure manual and requiring certain documentation as part of the due diligence process. Therefore, risks related to exposure to litigation are implicit in the risks admission criteria. Energy and food sectors are highly regulated, so that environmental compliance is a mandatory criteria to operate. The Group has specialized teams for both energy and food sectors (which are highly regulated) that identify and evaluate the associated risks in the process of risk acceptance as a pre-stage to finance any operation. These teams control that each of the new energy, utilities, agrarian or livestock projects that are funded through CaixaBank loans comply with the environmental regulations. In addition, new regulations that affect the sector are monitored. For projects that need an investment higher than 7 EUR million CaixaBank Group follows the Equator Principles and therefore it is mandatory to define and adopt actions to reduce the magnitude and likelihood of this risk in a continuous and preventive manner |
| Adaptation and mitigation activities | Impacted | Caixabank has identified that climate change has impacted the adaptation and mitigation activities of the Group. As an example, the identified opportunity of reduced operational costs due to implementation of Voluntary Standards such as ISO14001, EMAS and ISO50001, which helps to reduce costs related to energy, water and paper consumption, emissions, etc. as a result of the implementation of several mitigation measures (such as energy efficiency measures). After the Paris Agreement CaixaBank has kept taking action in order to reduce its climate change contribution, which is materialised in one of the 5 lines of action of CaixaBank's CSR Master Plan, approved in 2017. This line is focused on the Environment, specifically in collaborating in the fight against climate change through climate risk management, the progressive integration of environmental criteria in the portfolio and the reduction of the carbon footprint / improvement of environmental efficiency. Two programs have been defined with specific actions for the management of climate risk in financing and investment, the incorporation of environmental criteria in products and services and in the incorporation of energy efficiency measures and emissions reduction (P. LEDs, air conditioners, paperless, gradual reconversion of the car fleet to hybrid / electric). In this context, the Bank renewed its Environmental and Energy Policy in 2017 reinforcing its commitment with promoting the purchase of energy efficient products and services designed to improve and optimise energy use, supporting initiatives that are geared towards preventing, mitigating, adapting or responding to climate change and integrating environmental criteria into its products and service offering, among others. As an estimation of how much this area is impacted, CaixaBank invested in 2017 over 13,5 Million EUR in energy efficiency projects. Specifically, there were 3 main energy efficiency projects implemented aimed at reducing energy consumption and thus greenhouse gas emissions, including domotics, installment of LED lightning and replacement of acclimatization equipments for more efficient ones. CaixaBank has several emission reduction targets established for the mid and long term (see C4.3a) and thus mitigation and adaptation activities will be impacted in the next years as a result of climate change. |
| Investment in R&D | Impacted | As mentioned previously (see row: Products and services), CaixaBank has identified that climate change poses an opportunity to develop more low-emissions products, which require investment in R&D. CaixaBank is committed to respecting the natural surroundings, a commitment that stretches beyond its legal obligations and is concretized by a system of environmental management integrated into its business operations, which covers all its projects, services and products, as well as the "la Caixa" Foundation programs. The strategy of CaixaBank on climate change aligns correctly with the funding of research organizations through the funding of "La Caixa Foundation" which invests part of the budget in the ClimaDat research project. Funding this kind of research projects (indirectly, through financing "La Caixa" Foundation) is part of the climate change strategy of CaixaBank, as a measure for obtaining more information on climate change in order to manage the risks derived from Climate change that CaixaBank may face as a Bank, and using the data obtained, work to develop new products with a lower environmental impact and that can help customers face the new climate challenges projected in the future. As an estimation of the magnitude, the financial costs of funding the ClimaDat project to create a system of direct observation of Climate Change include a budget of EUR 5.93 million divided between at least 5 years of activity. As an estimation of the volume of CaixaBank's greenproducts associated to R&D investment: in 2017, 648 ecoLoans and ecoMicrocredits were arranged, with a value of €6,70 million EUR. |

| | Impact | Description |
|-----------------------|---------------|--|
| Operations | Impacted | CaixaBank is exposed to climate-related risks and opportunities through its lending and its financial activities as well as its own operations. The Bank has defined a strategy to reduce its risk and benefit from the opportunities. It has identified the main areas affected by climate change and has established measures to mitigate the risks. CaixaBank Facilities Management and Buiding Center are exposed to climate change. CaixaBank Facilities Management is in charge of managing its offices, including maintenance, security, purchases and supplies and Building Center is the Group's real estate company. All of them have defined a mitigation and control procedures to minimize the risks that may arise from their operations. One of the opportunities identified by Caixabank regarding the impact of climate change in Caixabank's operations is the reduced operational costs due to implementation of Voluntary Standards such as ISO14001, EMAS and ISO50001, which helps to reduce operational costs related to energy, water and paper consumption, emissions, etc. This has been integrated into Caixabank's strategy and planning thorough annually implementing several energy efficiency initiatives to improve the energy efficiency of our own operations and reduce emissions. The Bank renewed its Environmental and Energy Policy in 2017 reinforcing its commitment with promoting the purchase of energy efficient products and services designed to improve and optimise energy use, supporting initiatives that are geared towards preventing, mitigating, adapting or responding to climate change and integrating environmental criteria into its products and service offering, among others. During 2017, the scope of the ISO 14001 Certification was extended to the Corporative building of Caixabank in Madrid. As an estimation of how much this area is impacted, Caixabank invested In 2017 over 13,5 Million EUR in energy efficiency projects. Specifically, there were 3 main energy efficiency projects implemented aimed at reducing energy consumption and thus greenhouse gas emissions, including domotics, installment of LED lightning and replacement of acclimatization equipments for more efficient ones. |
| Other, please specify | Please select | |

C2.6

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

| | Relevance | Description |
|---|-----------|--|
| Revenues | Impacted | Climate-related R&O have impacted revenues, for example, as a result of changes on demand for Caixabank's products and services. An identified opportunity that had an impact on revenues is the increased investors demanding for green bonds (a growth forecast up to 150 billion dollars in 2017 and 60 billion in 2020, according to the Climate Bonds Initiative), which generates more access to capital when CaixaBank acts as a bond issuer, and increased revenues when it acts as a bond underwriter. Another identified opportunity that could increase revenues is the associated to new credit and investment opportunities at new efficient production and distribution processes (for example innovation with drones at the agricultural sector, or more efficient machinery at other industrial sectors). In this sense, since its launching in 2014, Agrobank, CaixaBank's business line specialized in the agricultural sector as well as in the agro-food industry, is rapidly expanding, achieving in 2017 a total of 875 branches and 342,350 customers. On the other hand, some risks can also impact this area such as the reduced revenues from services and products of the Caixabank due to a bad perception of the customer about CaixaBank's products adapted to the sustainable approach they are seeking. Some of the management actions carried out are the identification of the stakeholders that would mostly influence the decrease of the demand in CaixaBank's products and services due to a non-sustainable performance (investors, clients, organizations) and the development of targets in its Environmental Statement and improve the inclusion and better performance in Sustainability Indexes (FTSE4Good, DJSI, ASPI, etc.), as well as promoting the offer of green products. Besides, CaixaBank has started to calculate the carbon footprint of its funds. An approximation of the magnitude of this impact is the volume associated to Caixabank's "green" products: in 2017, 648 ecoLoans and ecoMicrocredits were arranged, with a value of €6.70 million EUR. |
| Operating costs | Impacted | CaixaBank is exposed to climate-related R&O through its lending and its financial activities as well as its own operations. The Bank has identified that this area of our financial planning process is impacted by climate-related R&O. As an example, it is impacted by the implementation of Voluntary Standards such as ISO14001, EMAS and ISO50001, which helps to reduce operating costs related to energy, water and paper consumption, emissions, etc. This has been integrated into Caixabank's strategy and planning thorough annually implementing several energy efficiency initiatives to improve the energy efficiency of our own operations and reduce emissions. The Bank renewed its Environmental and Energy Policy in 2017 reinforcing its commitment with promoting the purchase of energy efficient products and services designed to improve and optimise energy use, supporting initiatives that are geared towards preventing, mitigating, adapting or responding to climate change and integrating environmental criteria into its products and service offering, among others. During 2017, the scope of the ISO 14001 Certification was extended to the Corporative building of Caixabank in Madrid. As an estimation of how much this area is impacted , Caixabank invested In 2017 over 13,5 Million EUR in energy efficiency projects. Specifically, there were 3 main energy efficiency projects implemented aimed at reducing energy consumption and thus greenhouse gas emissions, including domotics, installment of LED lightning and replacement of acclimatization equipments for more efficient ones. |
| Capital expenditures / capital allocation | Impacted | Some climate-related risks have impacted in this area, such as the risk associated to increased operational costs due to tax increases on electricity and fuels (related to price of HVAC, transportation, etc.). This has implied an increase in the capital expenses to buy e.g manufactured capital such as more efficient computers to reduce electricity consumption and thus reduce the risk. In this sense, Caixabank renewed its Environmental and Energy Policy in 2017 reinforcing its commitment with promoting the purchase of energy efficient products and services designed to improve and optimise energy use, supporting initiatives that are geared towards preventing, mitigating, adapting or responding to climate change and integrating environmental criteria into its products and service offering, among others. As an estimation of the magnitude of these capital expenses, the purchase of almost 30.000 smart PC required an investment of 7,5 M EUR. |

| | Relevance | Description |
|------------------------------|---|---|
| Acquisitions and divestments | Not yet impacted | Regarding the R&O's impact on financial planning on this area, CaixaBank considers the decision making process to reduce or increase the stake in companies taking into account the climate change exposure/strategy. Companies with a high and robust climate change strategy are more resilient to the climate change risks. In this sense, as an example, regarding investee companies, CaixaBank has reduced its stake in Repsol (9,64%), which is a company highly exposed due to its business model to climate change issues. CaixaBank has representation in the Board of Directors of Repsol so it has knowledge about the company's Climate change strategy and model. An identified risk is associated to write off, asset impairment, and early retirement of existing assets due to policy changes such as regulation of fossil fuels consumption (investees or companies in the investment portfolio), which could affect the area of acquisitions and divestments. In this sense, CaixaBank has not identified that climate change has impacted this financial aspect yet. The potential/predicted timeline for the impact and magnitude has been assessed to be unknown. |
| Access to capital | Impacted | It has been identified that climate related R&O have an impact on this area. As an example, an identified opportunity that had an impact on this area is the increased investors demanding for green bonds (a growth forecast up to 150 billion dollars in 2017 and 60 billion in 2020, according to the Climate Bonds Initiative), which generates more access to capital when CaixaBank acts as a bond issuer, and increased revenues when it acts as a bond underwriter. |
| Assets | Impacted | The Bank is the leading financial group in the Spanish market with active assets valued in EUR 349,458 million as of 31 December 2017. One of the main subsidiaries impacted by Climate change is CaixaBank Asset Management. Investment Managers are hired by clients to invest assets on their behalf. The Group has the 100% subsidiary CaixaBank's Asset Management Company, which has signed the UNPRI. CaixaBank Asset Management has a highly diversified portfolio and tracks reference indexes which includes large companies in different sectors. Physical risks are expected to have an impact in the medium and long term and in this sense, extreme weather events could be relevant for customers with assets near to the sea for example. One of the identified risks by CaixaBank that could impact on this area is the increased insurance premiums and potential for reduced availability of insurance on assets in "high-risk" locations, such as facilities in flood areas or agricultural crops that could be affected by droughts, fires or hail. CaixaBank applies a specific methodology used to identify, assess and inform CaixaBank's decision-making bodies of potential events that could have an impact on the company assets, business continuity, and financial results. |
| Liabilities | Impacted for some suppliers, facilities, or product lines | One of the most relevant issues related to Climate change identified into the CaixaBank's strategy considering its activity are related to customer demand and supplier's management. The Risk Global Management area, Project Finance, Corporate and Institutional Banking and AgroBank (commercial area specifically dedicated to the agribusiness sector) are the most exposed areas related to companies financing, especially to the high energy consumers, energy and utilities and infrastructure and agricultural sectors. CaixaBank has identified that policy changes regarding environmental regulations can affect its customers and their solvency/ability to pay. CaixaBank has integrated this risk into the business strategy and planning when evaluating its value chain by implementing robust prevention measures in the model for admitting CaixaBank Group risk, considering its procedure manual and requiring certain documentation as part of the due diligence process. Therefore, risks related to exposure to litigation are implicit in the risks admission criteria. Energy and food sectors are highly regulated, so that environmental compliance is a mandatory criteria to operate. The Group has specialized teams for both energy and food sectors (which are highly regulated) that identify and evaluate the associated risks in the process of risk acceptance as a pre-stage to finance any operation. These teams control that each of the new energy, utilities, agrarian or livestock projects that are funded through CaixaBank loans comply with the environmental regulations. In addition, new regulations that affect the sector are monitored. For projects that need an investment higher than 7 EUR million CaixaBank Group follows the Equator Principles and therefore it is mandatory to define and adopt actions to reduce the magnitude and likelihood of this risk in a continuous and preventive manner. In 2017, six projects were assessed in accordance with the Equator Principles entailing total investment of € 1,750 million, of which CaixaBank contributed more than € 288 million. |
| Other | Please select | |

C3. Business Strategy

C3.1

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

Yes

C3.1a

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

Yes, qualitative

C3.1c

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

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

1. Committing to be carbon neutral by 2018 by the offset of its emissions while continuing to improve energy efficiency (KPI2. Incorporation of CC R&O into the risk assessment criteria of projects.
3. Incorporation of CC aspects into the Group's internal operations.
4. Increasing sustainable commercial offer for Individual Banking.
5. Training on CC and energy efficiency
6. Customer awareness on CC and energy efficiency. (In this regard CaixaBank has published an Integrated Corporate Report which follows GRI standards and is externally verified).

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

- Approval by the Board of Directors in December, 2017 of CaixaBank's CSR Master Plan with 5 lines of action and 15 main programs. One of the lines is focused on the Environment, specifically in collaborating in the fight against climate change through climate risk management, the progressive integration of environmental criteria in the portfolio and the reduction of the carbon footprint / improvement of environmental efficiency. Two programs have been defined with specific actions for the management of climate risk in financing and investment, the incorporation of environmental criteria in products and services and in the incorporation of energy efficiency measures and emissions reduction (P. LEDs, air conditioners, paperless, gradual reconversion of the car fleet to hybrid / electric). Also, the second line of action of the CSR Master Plan, Governance, contemplates the development of responsible policies, which include the development of new ESG sector risk management criteria through an ESR Policy.

-Renewal of the Bank's Environmental and Energy Policy in 2017, reinforcing its commitment with promoting the purchase of energy efficient products and services designed to improve and optimise energy use, supporting initiatives that are geared towards preventing, mitigating, adapting or responding to climate change, integrating environmental criteria into its products and service offering, contributing to the environmental awareness of its stakeholders and making the environment and energy policy available to all interested parties. In addition, the Corporate Responsibility and Reputation Committee (CRCR) of CaixaBank, which has the environment as one of its lines, has been restructured in 2017, providing it with an executive role and with a monthly frequency. The CRCR was created to coordinate, approve, manage and promote the initiatives of the entity in terms of corporate responsibility and reputation, reporting to the Global Risk Committee, the Steering Committee and the corresponding Governing Bodies.

-Development of an Environmental Plan (2016-2018), which focuses on combating climate change and includes the goal of being Carbon Neutral in 2018). In this sense, in 2017 CaixaBank has offset all of its 2017 emissions (scope 1, 2 and 3), becoming carbon neutral.

- Development of a strategic report on risks and opportunities (R&O) arising from climate change taking into account the recommendations published by the Financial Stability Board (Recommendations of Task Force on Climate-related Financial Disclosures, TCFD). In this sense, CaixaBank gave support to the TCFD's publication publicly.

-Approving a plan for achieving carbon neutrality in 2018, aiming at buying carbon credits to offset an increased number of scopes.

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

-Financing projects aimed at fostering the use of renewable energies. In 2017, CaixaBank participated in 19 operations involving renewable energy, with a total of 3,189 MW of installed capacity.

-Participation in the process as joint bookrunner in the placement of 3 green bonds for investment in sustainable assets, with a total amount of 2,050 million euros.

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

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

-Participation in the Voluntary Agreements Program (Programa d'Acords Voluntaris) of the Government of Catalonia and in the

Carbon Footprint Registry (Registro Huella Carbono) of the MAGRAMA (the environmental Ministry of the Spanish Government).

-Extending, during 2017, the scope of the ISO 14001 Certification to the Corporative building of Caixabank in Madrid.

ii. Caixabank's business is linked to emissions reductions target as well as energy reduction target. Our Environmental Plan (2016-2018) focuses on combating climate change and includes the goal of being Carbon Neutral in 2018. The Plan also includes the goal of procuring 100% of green energy from renewable sources, which is linked to the scope 1+2 emission reduction targets Abs1 and Abs2 of the CDP section C4. Another goal included in the Plan is the optimization of use of resources in our offices, such as paper, which is linked to the emission reduction target Abs3 of the same section C4, as well as other goals like optimization of plastic resources.

iii. The most substantial business decision made during the reporting year has been the approval of the CSR Master Plan which, as explained in section (i), has 5 lines of action and 15 main programs. One of the lines is focused on the Environment, specifically in collaborating in the fight against climate change through climate risk management, the progressive integration of environmental criteria in the portfolio and the reduction of the carbon footprint and improvement of environmental efficiency. This decision was influenced by the identified potential climate-related risks, mainly the ones associated with policy and regulations (see relevant section of the questionnaire), such as the risk of increased operational costs due to tax increases on electricity and fuels.

Another important decision in 2017 has been the renewal of the procedure for identifying climate-related R&O both at company and asset level during 2017, taking into account TCFD recommendations, and carry out climate-related scenario analysis to inform our business strategy. This has again been influenced by the climate-related R&O, mainly the risks regarding policy and regulation such as increased operational costs due to tax increases on electricity and fuels, but also by the climate-related opportunities such as the increased revenues from financing "green projects".

C3.1d

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

| Climate-related scenarios | Details |
|---------------------------|--|
| IEA 450 | <p>According to TCFD recommendations, CaixaBank chose WEO 450ppm Scenario because it takes into account the objective approved in the Paris Agreement of limiting the temperature increase to less than 2°C (with a likelihood of 50%). The inputs, assumptions and analytical methods used are the following: POLICY AND DEMAND Strong efficiency related policy action After 2020 a CO2 price is adopted in OECD countries Fossil fuel subsidies removed by 2035. CO2 prices in most OECD markets reach \$140/ton in 2040 Global energy demand is up 17% on 2012 EMERGING TECHNOLOGIES In 2050, urban rooftop solar PV is assumed to account for around 47% of global electricity generated by solar PV and 9% of the electricity consumed in cities Sale of EVs exceeds 40% of total passenger car sales worldwide in 2040. Advanced biofuels and EVs reduce oil consumption by 13.8 mboe per day in 2040 80 GW of CCS equipped Oil&Gas capacity to be operating by 2025. Between 2030 and 2040, 580 GW of coal-fired power generation equipped with CCS. By 2040, 80% of the generation capacity has CCS equipped Fuel mix in 2040: biofuels consisting of 17% of world transport demand. ENERGY MIX Variable renewables increase from 3% of global electricity generation in 2015 to more than 20% by 2040 Global nuclear capacity more than doubles to 862 GW in 2040, 38% higher than in the New Policies Scenario. Development depends on some \$81 billion/year in investment in new nuclear plants over 2014-2040 CO2 EMISSIONS Energy-related CO2 emissions peak at 33Gt before 2020, then to 25.4Gt in 2030 and 19.3Gt in 2040 R&O are assessed according to the timeframe in which they are expected to occur, which in the case of CaixaBank it is the following: short term (1-3 yr), medium term (3-6yr) and Long term (more than 6yr). In 2017 taking into account TCFD recommendations CaixaBank Group renewed its procedure for identifying R&O at both company and asset level in which the most representative areas & subsidiaries contributed. These are the areas that have been considered as part of the scenario analysis: Corporate areas: Risk management and control such as Risk Follow-up and Credit Risk, as well as the CSR area Subsidiaries: CaixaBank Asset Management, VidaCaixa, Building Center regarding the Real Estate business. CaixaBank Facilities Management as the subsidiary responsible for the maintenance of the buildings and infrastructure of the CaixaBank Group Business areas: mainly related with Global Risk Management, such as Project Finance (Energy and Infrastructure) and commercial areas specifically dedicated to Tourism and Agribusiness sector (AgroBank) Investees: SegurCaixa Adeslas (through VidaCaixa which owns the 49,9% of SegurCaixa Adeslas) as an investee focused on insurance business Each Scenario parameters have been associated to the identified R&O with medium or higher impact. Thus, when possible future scenarios are incorporated into the analysis, likelihood of the R&O will change, being able to migrate from "unlikely" to "very likely" risks. Taking into account the actual Risk Management the Group is developing regarding R&O, the R&O's management strategy resilience was assessed for this scenario Regarding transition risks, CaixaBank might be affected by the risk Substitution of existing products and services with lower emissions options. This risk was not considered as relevant by CaixaBank because it was determined to be "more unlikely than likely" during the prioritization study and therefore CaixaBank's strategy regarding this risk might be affected by this scenario and it should be improved in order to minimize the potential financial impacts associated. In this sense, the Group is now identifying and quantifying whether the loan given to CaixaBank's customers is to buy a lower emissions vehicle (eg electric, hybrid) or to buy a more emitting vehicle (eg that uses petrol or diesel as a fuel). CaixaBank is also working on quantifying CO2 savings of their products compared to more emitting ones.</p> |

| Climate-related scenarios | Details |
|---|--|
| Other, please specify (EU Winter Package) | <p>This is a more-local transition to a low carbon economy scenario that CaixaBank created based on the "Winter Package", a group of measures presented by the European Commission in November 2016 and that will rule in Spain in the medium term. This package of measures pretend to keep the EU competitive as the clean energy transition changes global energy markets: ENERGY EFFICIENCY: Energy-saving obligations set out in the Energy Efficiency Directive, whereby EU energy suppliers and distributors must save 1.5% of energy per year Increased rate of buildings renovation in order to decarbonize the real estate park by the middle of the century Release of EUR 10 billion of public and private funds by 2020 for energy efficiency and renewable energy in buildings ECO PRODUCTS The ecodesign work plan sets out the Commission's priorities for the next 3 years, including a review of product-specific measures to adapt to technological developments and the study of new products with a view to adopting standards allowing to realize its full potential RENEWABLE ENERGY TECHNOLOGIES Spanish Commitment towards a renewable energy objective in order to contribute to achieving the target of at least 27% of renewables in the EU in 2030 Investment growth related to renewable energy production, eliminating obstacles to self-generation Growth in the use of renewable energy in heating and cooling, ELECTRICITY MARKET Adaptation of market rules to facilitate decentralized connection at the distribution level Priority dispatch will remain in place for existing facilities, small-scale renewable energy facilities and demonstration projects R&O are assessed according to the timeframe in which they are expected to occur, which in the case of CaixaBank it is the following: short term (1-3 yr), medium term (3-6yr) and Long term (>6yr). In 2017 taking into account TCFD recommendations CaixaBank Group renewed its procedure for identifying R&O at both company and asset level in which the most representative areas & subsidiaries contributed. These are the areas that have been considered as part of the scenario analysis: Corporate areas: Risk management and control such as Risk Follow-up and Credit Risk, as well as the CSR are Subsidiaries: CaixaBank Asset Management, VidaCaixa, Building Center regarding the Real Estate business. CaixaBank Facilities Management as the subsidiary responsible for the maintenance of the buildings and infrastructure of the CaixaBank Group Business areas: mainly related with Global Risk Management, such as Project Finance (Energy and Infrastructure) and commercial areas specifically dedicated to Tourism and Agribusiness sector (AgroBank) Investees: SegurCaixa Adeslas (through VidaCaixa which owns the 49,9% of SegurCaixa Adeslas) as a investee focused on insurance business Each Scenario parameters have been associated to the identified R&O with medium or higher impact (see questions 2.3a & 2.4a). Thus, when possible future scenarios are incorporated into the analysis, likelihood of the R&O will change, being able to migrate from "unlikely" risks to "very likely" risks. Regarding transition risks, CaixaBank might be affected by the risk Substitution of existing products and services with lower emissions options. This risk was not considered as relevant by CaixaBank because it was determined to be "more unlikely than likely" during the prioritization study and therefore CaixaBank's strategy regarding this risk might be affected by this scenario and it should be improved in order to minimize the potential financial impacts associated. In this sense, the Group is now identifying and quantifying whether the loan given to CaixaBank's customers is to buy a lower emissions vehicle (eg electric, hybrid) or to buy a more emitting vehicle (eg that uses petrol or diesel as a fuel). CaixaBank is also working on quantifying CO2 savings of their products compared to more emitting ones.</p> |
| RCP 2.6 | <p>CaixaBank Group chose the most unfavorable Physical Scenario given by the Spanish Weather Agency (Agencia Estatal de Meteorología, AEMET) to complete the analysis (RCP8.5) Out of the three Representative Concentration Pathways (RCPs) possible scenarios from AEMET, this one takes into account the highest level of greenhouse gases emissions in Spain. The scenario presents two national maps in order to show changes in temperature and precipitation patterns from 2081 to 2100. The parameters of this scenario are given by the two national maps reported: -The first map shows the increase in the maximum annual temperature in Spain. It shows the inland Spain will be the most affected region, with up to 8 degrees more of the average annual maximum temperature projected for the year 2100. Regarding the coastal areas, they could experience up to 5 degrees of temperature increase. -The second map shows the percentage increase or percentage decrease of annual precipitation in Spain. It can be observed how in Southern Andalucía precipitation could be reduced up to 50%, and similar decreases are also expected in Murcia and south Valencia. On the other hand, there are projected increased in precipitation of up to 50% in the north of Catalonia and South of Aragon. R&O are assessed according to the timeframe in which they are expected to occur, which in the case of CaixaBank it is the following: short term (1 to 3 years), medium term (3 to 6 years) and Long term (more than 6 years). In 2017 and taking into account TCFD recommendations, CaixaBank Group renewed its procedure for identifying R&O at both company and asset level in which the most representative areas & subsidiaries contributed. These are the areas that have been considered as part of the scenario analysis: - Corporate areas: Risk management and control such as Risk Follow-up and Credit Risk, as well as the CSR area. - Subsidiaries: CaixaBank Asset Management, VidaCaixa, Building Center regarding the Real Estate business. CaixaBank Facilities Management as the subsidiary responsible for the maintenance of the buildings and infrastructure of the CaixaBank Group. - Business areas: mainly related with Global Risk Management, such as Project Finance (Energy and Infrastructure) and commercial areas specifically dedicated to Tourism and Agribusiness sector (AgroBank). - Investees: SegurCaixa Adeslas (through VidaCaixa which owns the 49,9% of SegurCaixa Adeslas) as a investee focused on insurance business. Each Scenario parameters have been associated to the identified R&O with medium or higher impact (see questions 2.3a and 2.4a). Thus, when possible future scenarios are incorporated into the analysis, likelihood of the R&O will change, being able to migrate from "unlikely" risks to "very likely" risks. -Regarding the physical risks (see relevant question C2.3a), as the risks Changes in precipitation patterns and extreme variability in weather pattern are considered as relevant by CaixaBank Group and as the Group has a robust risk management process in place that decreases their net impact, it is concluded that CaixaBank is ready for this possible future scenario. Regarding the opportunities with medium and higher impact for CaixaBank Group (see question C2.4a), considered in this scenario, CaixaBank's strategy regarding them is already taking into account their possible advantages at present. That means SegurCaixa is becoming ready to this possible future scenario and its possible associated opportunities, such as revenues increasing from offering more specific and adapted insurance solutions. It would impact in the performance of SegurCaixa rebounding in the Group's performance.</p> |

C4. Targets and performance

C4.1

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

Absolute target

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

Abs 2

Scope

Scope 1 +2 (market-based)

% emissions in Scope

100

% reduction from base year

50

Base year

2009

Start year

2010

Base year emissions covered by target (metric tons CO2e)

72533

Target year

2040

Is this a science-based target?

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

% achieved (emissions)

100

Target status

Replaced

Please explain

This long-term target is a replacement of the previous target that covered only scope 2 emissions. The target covers now scope 1 and 2 emissions. The target covers the 100% of Caixabank's scope 1+2 emissions and aims at hiring 100% of the new energy contracts with renewable energy. This target is related to Caixabank's policy of having 100% of new energy contracts hired with renewable energy, which in reality means that over 90% 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 10% left out of the target. In 2017, 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 scope1+ 2 from 2009 by hiring all new contracts with renewable energy, as well as by implementing scope 1 emission reduction activities. This target meets the 2.1% year-on-year emission reduction between base year and target year. Even though the target of hiring 100% of the new energy contracts with renewable energy is included in Caixabank's Environmental Plan, which has a timeframe of 2016-2018, Caixabank's goal is to maintain this target beyond 2018 once it has been achieved and commits to keep hiring 100% of the new energy contracts with renewable energy until 2040. This is a long-term target (2040) and Caixabank has already succeeded in hiring 100% of its new energy contracts with renewable contracts, which means having over 99% of its electricity produced by renewable energy.

Target reference number

Abs 1

Scope

Scope 1 +2 (market-based)

% emissions in Scope

100

% reduction from base year

29

Base year

2009

Start year

2010

Base year emissions covered by target (metric tons CO2e)

72533

Target year

2025

Is this a science-based target?

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

% achieved (emissions)

100

Target status

New

Please explain

This mid-term target covers the 100% of Caixabank's scope 1+2 emissions and aims at reducing 29% of these emissions through hiring 100% of the new energy contracts with renewable energy. This target is related to Caixabank's policy of having 100% of new energy contracts hired with renewable energy, which in reality means that over 90% 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 10% left out of the target. In 2017, for example, 99% of the carbon footprint came from renewable sources. Thus, the target aims at reducing at least 29% of the emissions in scope 1+ 2 from 2009 by hiring all new contracts with renewable energy. This target meets the 2.1% year-on-year emission reduction between base year and target year. Even though the target of hiring 100% of the new energy contracts with renewable energy is included in Caixabank's Environmental Plan, which has a timeframe of 2016-2018, Caixabank's goal is to maintain this target beyond 2018 once it has been achieved and commit to keep hiring 100% of the new energy contracts with renewable energy until 2025, and further (see target Abs2). This is a mid-term target (2025) and Caixabank has already succeeded in hiring 100% of its new energy contracts with renewable contracts, which means having over 99% of its electricity produced by renewable energy

Target reference number

Abs 3

Scope

Scope 3: Purchased goods & services

% emissions in Scope

76

% reduction from base year

15

Base year

2016

Start year

2016

Base year emissions covered by target (metric tons CO2e)

8303

Target year

2020

Is this a science-based target?

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

% achieved (emissions)

100

Target status

Underway

Please explain

This target covers more than 75% of this scope 3 category, whose aim is to reduce paper consumption, specifically regarding paper for own use and paper sent to clients. This reduction will be achieved through several reduction initiatives. This is not a Science-based target due to the fact that Caixabank is a financial institution and this program is not yet able to assess this kind of targets, not even unofficially. However, when criteria for SBT in the financial sector is set, Caixabank will consider the feasibility to set them.

This target has been achieved as these emissions have been reduced by a 24% from 2016 to 2017.

C4.2

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

C4.3

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

Yes

C4.3a

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

| | Number of projects | Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *) |
|---------------------------|--------------------|--|
| Under investigation | 0 | 0 |
| To be implemented* | 3 | 1079 |
| Implementation commenced* | 2 | 161 |
| Implemented* | 8 | 3211 |
| Not to be implemented | 0 | 0 |

C4.3b

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

Activity type

Energy efficiency: Building services

Description of activity

Lighting

Estimated annual CO2e savings (metric tonnes CO2e)

224

Scope

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)

466268

Investment required (unit currency – as specified in CC0.4)

3267000

Payback period

4 - 10 years

Estimated lifetime of the initiative

6-10 years

Comment

This voluntary activity is directed to reduce Caixabank's scope 2 emissions through electricity consumption reduction from lightning. The main actions carried out by Caixabank in 2017 include: (1) Changing to LED lighting in 500 downlights in 250 areas with 24-hour lighting, where approximately 41 MWh were saved in 2017. (2) Caixabank carried out a total renovation of 6 SSCC's building's floors, which among others included a change of the conventional lightning to LED lights. In total, around 365 MWh were saved in 2017 (3) Replacement of fluorescent lighting at 1,000 branches with LED lighting, where around 251 MWh were saved. The investment figure represents the investment for 2017, however, some projects have a bigger budget that is split in several years.

Activity type

Process emissions reductions

Description of activity

New equipment

Estimated annual CO2e savings (metric tonnes CO2e)

104

Scope

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)

33499

Investment required (unit currency – as specified in CC0.4)

7464000

Payback period

>25 years

Estimated lifetime of the initiative

6-10 years

Comment

Distribution of 7.464 Smart PC (Energy star), which save up to 25% of energy consumption

Activity type

Energy efficiency: Processes

Description of activity

Refrigeration

Estimated annual CO2e savings (metric tonnes CO2e)

74

Scope

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)

578335

Investment required (unit currency – as specified in CC0.4)

3681817

Payback period

11-15 years

Estimated lifetime of the initiative

11-15 years

Comment

200 acclimatization equipments were replaced for more efficient ones.

Activity type

Other, please specify (Paper consumption)

Reduction of emissions from paper consumption

Description of activity

<Not Applicable>

Estimated annual CO2e savings (metric tonnes CO2e)

2447

Scope

Scope 3

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)

1322959

Investment required (unit currency – as specified in CC0.4)

0

Payback period

<1 year

Estimated lifetime of the initiative

<1 year

Comment

Aligned with Target Abs 3, this voluntary activity aims at reducing scope 3 emissions by decreasing the emissions generated from paper consumption. The programmatic activity is developed transversally in our offices and central services and is based on the digitalization of services, documents and signatures in order to avoid printing needs for inner purposes and raising awareness among clients as to minimize their need for printing. This has led to a 3,8% reduction of paper use in central services and a 23,52% reduction in paper use in offices compared to 2016. The estimated annual CO2 savings reported from reduction of paper consumption include: Reduction in A4 consumption, Reduction of deliveries to customers, Envelop free deposit and option Do not print receipt. The savings were calculated assuming all Kgs saved were A4 papers and assuming an average price for a 500 sheets pack. Besides the reduction of paper, this digitalization project had other objectives, and that is why it is not possible to differentiate the investment required for the paper objective from the other ones.

Activity type

Other, please specify (Plastic waste)

Reduction of emissions from plastic waste

Description of activity

<Not Applicable>

Estimated annual CO2e savings (metric tonnes CO2e)

0.43

Scope

Scope 3

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)

25359

Investment required (unit currency – as specified in CC0.4)

2500

Payback period

<1 year

Estimated lifetime of the initiative

6-10 years

Comment

This initiative aimed at reducing plastic waste generated in SSCC through three main activities: (1) Environmental awareness to the

employees regarding the reuse of plastic cups and use of ceramic and glass cups. (2) Changes in the vending machines where now the users need to ask for the plastic cup, instead of it being released automatically (3) Incorporation of kitchen sinks in the offices that were renovated in 2017. These initiatives allowed for a reduction in plastic waste of 56,1% in 2017

Activity type

Other, please specify (Toner waste)

Reduction of emissions from toner waste

Description of activity

<Not Applicable>

Estimated annual CO2e savings (metric tonnes CO2e)

12

Scope

Scope 3

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)

127500

Investment required (unit currency – as specified in CC0.4)

0

Payback period

<1 year

Estimated lifetime of the initiative

6-10 years

Comment

This initiative aimed at reducing the production of toner waste at central services. A 39% reduction (1.275 units) was achieved in 2017 compared to 2016.

Activity type

Energy efficiency: Building services

Description of activity

Building controls

Estimated annual CO2e savings (metric tonnes CO2e)

50

Scope

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)

16044

Investment required (unit currency – as specified in CC0.4)

118000

Payback period

4 - 10 years

Estimated lifetime of the initiative

6-10 years

Comment

Installment of a single power switch in the offices of higher consumption.

Activity type

Energy efficiency: Processes

Description of activity

Refrigeration

Estimated annual CO2e savings (metric tonnes CO2e)

300

Scope

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)

0

Investment required (unit currency – as specified in CC0.4)

0

Payback period

11-15 years

Estimated lifetime of the initiative

11-15 years

Comment

Around 50% of our refrigerant gas emissions were reduced mainly due to the following two initiatives: (i) Replacement of 200 acclimatization equipments for more efficient ones. (ii) Installment of a single power switch in the offices of higher consumption, connected to the alarm system, so that once the alarm is connected, the acclimatization equipments disconnect. This allows for a reduction of emissions as a result of the decrease in the use of these equipments. The investment required and the annual monetary savings here are considered 0 as they have already been accounted in the above described initiatives (initiative 3 and 7 respectively).

Activity type

Other, please specify (Fluorescent waste)

Reduction of emissions from fluorescent waste

Description of activity

<Not Applicable>

Estimated annual CO2e savings (metric tonnes CO2e)

0.03

Scope

Scope 3

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)

40192

Investment required (unit currency – as specified in CC0.4)

177000

Payback period

4 - 10 years

Estimated lifetime of the initiative

<1 year

Comment

This initiative was aimed at reducing fluorescent waste. In 2017 a reduction of 250 kg of fluorescent was achieved.

C4.3c

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

| Method | Comment |
|---|--|
| Dedicated budget for energy efficiency | CaixaBank has a budget dedicated to the Environmental Management System which contemplates energy efficiency actions that are implemented in CaixaBank and its subsidiaries and branches. |
| Dedicated budget for other emissions reduction activities | All investments in energy efficiency and GHG emissions mitigation are included in the Cost Maintenance and Infrastructure management budget. Moreover, CaixaBank has a dedicated budget to the Environmental Management System which contemplates some emission reduction activities such as: offset of event's GHG emissions (Clean CO2 tool), sustainable mobility policy promoting the use of train instead of plane for business travel, among others. |
| Employee engagement | The Environmental Management System of CaixaBank includes a detailed program for behavioural changes and employee engagement by internal awareness initiatives that want to foster energy efficiency, waste reduction, paper consumption reduction and to encourage environmental best practices. Various initiatives are rolled out to raise awareness among employees, such as the creation and maintenance of an environmental area within the CSR section of the intranet for CaixaBank's employees, the public site EcoCaixa, as well as the corporate website, where the environmental declaration, the carbon footprint among other related documents are published. Throughout 2017, employee engagement was reinforced with activities for increasing the environmental awareness, such as the publication of environmental messages in the intranet, environmental news in the "Canal Caixa", sending e-mails to them with environmental awareness information, a specific website for employees dedicated to environmental information including environmental policy and certifications as well as the continuous learning activities carried out on this topic. |

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 credits and funds especially designed to invest in or provide loans for projects that mitigate climate change or have a ethical core behind it: (i) the Ethical Fund, (ii) the EcoFund and (ii) the Green account

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

Low-carbon product

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

Other, please specify (Environmental criteria applied in them)

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

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

0.64

Comment

In 2017, the ecoFund (which invests only in environmentally friendly assets and stocks) had a volume of 11,1 M EUR, while the MicroBank Ethical Fund achieved a volume of 59,1 M EUR. In 2017, 540 Green accounts were opened (which collaborate with WWF and sustainable development). Other products such as the ecomicrocredits are offered by Caixabank to finance e.g. vehicles that are more environmentally friendly as well as home improvements to raise energy efficiency, among others. A total of 648 operations were carried out that corresponded to 6,70 Million EUR granted.

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 2017 CaixaBank details and analyzes the evolution of its carbon footprint following the ISO 14064-1. However, the base year (2009) and subsequent years (2010-2017) 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 2009-2017 does not include any organizational or operational changes but includes a change in the methodology corresponding to: a change in the emission factor of water, toner laserjet and toner inkjet. Therefore, CaixaBank recalculated and verified the base year and subsequent years, restating the historical data, to ensure that it reflects the current organizational and operational boundaries.

Scope 2 (location-based)

Base year start**Base year end****Base year emissions (metric tons CO2e)****Comment**

Scope 2 (market-based)

Base year start

January 1 2009

Base year end

December 31 2009

Base year emissions (metric tons CO2e)

55327

Comment

As every year, in 2017 CaixaBank details and analyzes the evolution of its carbon footprint following the ISO 14064-1. However, the base year (2009) and subsequent years (2010-2017) 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 2009-2017 does not include any organizational or operational changes but includes a change in the methodology corresponding to: a change in the emission factor of water, toner laserjet and toner inkjet. Therefore, CaixaBank recalculated and verified the base year and subsequent years, restating the historical data, to ensure that it reflects the current organizational and operational boundaries.

C5.2

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

ISO 14064-1

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

C6. Emissions data

C6.1

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

Row 1

Gross global Scope 1 emissions (metric tons CO2e)

13873

End-year of reporting period

<Not Applicable>

Comment

C6.2

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

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

C6.3

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

Row 1

Scope 2, location-based

494

Scope 2, market-based (if applicable)

375

End-year of reporting period

<Not Applicable>

Comment

C6.4

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

No

C6.5

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

Purchased goods and services

Evaluation status

Relevant, calculated

Metric tonnes CO2e

8325

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

Explanation

Capital goods

Evaluation status

Relevant, calculated

Metric tonnes CO2e

2028

Emissions calculation methodology

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

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

Explanation

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

Evaluation status

Relevant, calculated

Metric tonnes CO2e

92

Emissions calculation methodology

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

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

Explanation

Upstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

Emissions calculation methodology

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

Explanation

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

Waste generated in operations

Evaluation status

Relevant, calculated

Metric tonnes CO2e

163

Emissions calculation methodology

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

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

Explanation

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO2e

8035

Emissions calculation methodology

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

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

Explanation

Employee commuting

Evaluation status

Relevant, calculated

Metric tonnes CO2e

1886

Emissions calculation methodology

Based on a mobility survey conducted in January 2017 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 646 employees that were surveyed to the total staff of CaixaBank Headquarters (which in 2017 was of 1.669 employees), for the 220 annual working days. This year 2017, data from motorcycles trips has been included in the scope. This data is calculated under the ISO 14 064 Standard and the GHG Protocol Scope 3 guidance and verified along Scope 1 and 2 emissions.

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

Explanation

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO₂e

Emissions calculation methodology

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

Explanation

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

Downstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Metric tonnes CO₂e

Emissions calculation methodology

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

Explanation

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

Processing of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO₂e

Emissions calculation methodology

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

Explanation

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

Use of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO₂e

Emissions calculation methodology

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

Explanation

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

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

Emissions calculation methodology

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

Explanation

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

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

Emissions calculation methodology

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

Explanation

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

Franchises

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

Emissions calculation methodology

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

Explanation

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

Investments

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

Emissions calculation methodology

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

Explanation

The emissions associated to companies where CaixaBank is not the shareholder with 100% of shares have not been included in the carbon footprint of the group. This is because the scope applied to the calculation of the carbon footprint is of operational control. For this reason, the Investments source of scope 3 has been considered not relevant.

Other (upstream)

Evaluation status

Metric tonnes CO2e

Emissions calculation methodology

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

Explanation

Other (downstream)

Evaluation status

Metric tonnes CO2e

Emissions calculation methodology

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

Explanation

C6.7

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

No

C6.10

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

Intensity figure

2.37

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

14248

Metric denominator

Other, please specify (revenue total (hundred million))

NOTE: Due to technical problems with the ORS platform (external to Caixabank), we could not enter the intensity figure as originally wanted, which was 0.0000000237. This value results from dividing the Metric numerator of 14248 (Gross global combined Scope 1 and 2 emissions) by the unit total revenue of 602,100,000,000 M EUR. However, due to these technical problems we could not enter the previous intensity figure so, as suggested by a CDP Project officer, we have entered the intensity figure per one hundred million. That is why the denominator is now 6021 and the intensity figure is 2.37.

Metric denominator: Unit total

6021

Scope 2 figure used

Market-based

% change from previous year

15

Direction of change

Decreased

Reason for change

The main reason for the decrease is the increase of the unit total revenue and the reduction in scope 1+2 emissions compared to 2016 (specifically a decrease of 3% in scope 1 emissions and a decrease of 39% in scope 2 emissions). The overall decrease in scope 1+2 emissions is mainly due to the reduced electricity consumption as a result of several energy efficiency initiatives such as: distribution of 7.464 Smart PC (Energy star), which save up to 25% of electricity consumption; replacement of 200 acclimatization equipments for more efficient ones, and replacement of florescent lights for LED light in Central Services's buildings, among others. In addition, this decrease was also the result of a decrease in petrol and refrigerant gas consumption.

NOTE: Due to technical problems with the ORS platform (external to Caixabank), we could not enter the intensity figure as originally wanted, which was 0.0000000237. This value results from dividing the Metric numerator of 14248 (Gross global combined Scope 1 and 2 emissions) by the unit total revenue of 602,100,000,000 M EUR. However, due to these technical problems we could not enter the previous intensity figure so, as suggested by a CDP Project officer, we have entered the intensity figure per one hundred million. That is why the denominator is now 6021 and the intensity figure is 2.37.

Intensity figure

0.46278064

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

14248

Metric denominator

full time equivalent (FTE) employee

Metric denominator: Unit total

30788

Scope 2 figure used

Market-based

% change from previous year

7

Direction of change

Decreased

Reason for change

The reason for the decrease of this figure is the decrease in scope 1+2 emissions compared to 2016 (specifically a decrease of 3% in scope 1 emissions and a decrease of 39% in scope 2 emissions) as well as the small increase of the FTE employee (by a 3% compared to last year). The decrease in scope 1+2 emissions is mainly due to the reduced electricity consumption as a result of several energy efficiency initiatives such as: distribution of 7.464 Smart PC (Energy star), which save up to 25% of electricity consumption; replacement of 200 acclimatization equipments for more efficient ones, and replacement of florescent lights for LED light in Central Services's buildings, among others. In addition, this decrease was also the result of a decrease in petrol and refrigerant gas consumption.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization have greenhouse gas emissions other than carbon dioxide?

Yes

C7.1a

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

| Greenhouse gas | Scope 1 emissions (metric tons of CO ₂ e) | GWP Reference |
|-----------------|--|--|
| CO ₂ | 1963 | IPCC Fourth Assessment Report (AR4 - 100 year) |
| HFCs | 11910 | IPCC Fourth Assessment Report (AR4 - 100 year) |

C7.2

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

| Country/Region | Scope 1 emissions (metric tons CO ₂ e) |
|----------------|---|
| Spain | 13873 |

C7.3

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

- By business division
- By activity

C7.3a

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

| Business division | Scope 1 emissions (metric ton CO2e) |
|------------------------|-------------------------------------|
| CaixaBank Headquarters | 244 |
| Branch network | 13629 |

C7.3c

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

| Activity | Scope 1 emissions (metric tons CO2e) |
|----------------------|--------------------------------------|
| Gasoline consumption | 28 |
| Gasoil A consumption | 1751 |
| Gasoil C consumption | 184 |
| Refrigerant gases | 11910 |

C7.5

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

| Country/Region | Scope 2, location-based (metric tons CO2e) | Scope 2, market-based (metric tons CO2e) | Purchased and consumed electricity, heat, steam or cooling (MWh) | Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh) |
|----------------|--|--|--|--|
| Spain | 494 | 375 | 166548 | 165399 |

C7.6

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

- By business division

C7.6a

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

| Business division | Scope 2, location-based emissions (metric tons CO2e) | Scope 2, market-based emissions (metric tons CO2e) |
|------------------------|--|--|
| CaixaBank Headquarters | 0 | 0 |
| Branch network | 494 | 375 |

C7.9

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

Decreased

C7.9a

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

| | Change in emissions (metric tons CO2e) | Direction of change | Emissions value (percentage) | Please explain calculation |
|---|--|---------------------|------------------------------|---|
| Change in renewable energy consumption | 7605 | Increased | 51.1 | Caixabank consumed 165.398.860 kwh of renewable energy in 2017 whereas in 2016 the renewable energy consumption was 170.605.464 kwh. Despite having consumed less renewable energy in absolute numbers (equivalent to 7.605 tones of CO2), Caixabank consumed more renewable energy in 2017 relative to the total electricity consumption, compared to 2016. Scope 2 emissions decreased between 2016 and 2017 as a result of a decrease in the overall electricity consumption, which was of 172.311.346 in 2016 and of 166.548.041 kwh in 2017. This means that in the reporting year 2017 Caixabank's electricity consumption was 99,31% from renewable sources whereas in 2016 it was 99,01%. This results in a 0,3% increase in the renewable energy consumption relative to the overall electricity emissions between 2016 and 2017. As the percentage of renewable electricity consumption is so high (almost at its maximum) and as Caixabank is implementing several energy reduction projects, renewable electricity consumption will inevitably decrease in absolute numbers. The emissions value in percentage is calculated by dividing the 7.605 tones of CO2 by 14.893 tones of CO2 (scope 1+2 emissions in 2016) and multiplied by 100. |
| Other emissions reduction activities | 3211 | Decreased | 21.56 | As a result of the several emission reduction activities (implementation of more efficient lightning like LED, reduction of electricity consumption by substituting computers by more efficient ones, etc – see question C4.3b for more information of these activities) Caixabank achieved a reduction of 3.211 tones of CO2 in the reporting year 2017. In order to calculate the emissions value in percentage, the methodology in the corresponding page of the guidance (regarding the column of this question) is followed: the 3.087,43 tones of CO2 are divided by 14.893 tones of CO2 (scope 1+2 emissions in 2016) and multiplied by 100, to obtain this percentage (21,56). |
| 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 | 92 | Increased | 0.62 | This increase in emissions is most likely due to the increase in km travelled by the staff. This is probably due to Caixabank's customer approach campaign and Caixabank's mobility plan associated with the digitalization of processes, which have implied an increase in the trips to the customer's workplace when closing operations. In order to calculate the emissions value in percentage, the methodology in the corresponding page of the guidance (regarding the column of this question) is followed: The emissions value in percentage is calculated by dividing the 92 tones of CO2 by 14.893 tones of CO2 (scope 1+2 emissions in 2016) and multiplied by 100. |

C7.9b

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

Market-based

C8. Energy

C8.1

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

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

C8.2

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

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

C8.2a

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

| | Heating value | MWh from renewable sources | MWh from non-renewable sources | Total MWh |
|---|---------------------------|----------------------------|--------------------------------|------------------|
| Consumption of fuel (excluding feedstock) | LHV (lower heating value) | 0 | 9117 | 9117 |
| Consumption of purchased or acquired electricity | <Not Applicable> | 165399 | 1149 | 166548 |
| 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> | 165399 | 10266 | 175665 |

C8.2b

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

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

C8.2c

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

Fuels (excluding feedstocks)

Motor Gasoline

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

135

MWh fuel consumed for the self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Fuels (excluding feedstocks)

Diesel

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

8981

MWh fuel consumed for the self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

C8.2d

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

Diesel

Emission factor

2.56

Unit

kg CO2e per liter

Emission factor source

Following the CDP guidelines, this emission factor is the weighted average calculated according to the the amount of each constituent fuel consumed Source of both emission factors (diesel C and diesel A): Ministerio de Agricultura, Alimentación y Medio Ambiente y Oficina Española de Cambio Climático.Factores de emisión. Registro de huella de carbono, compensación y proyectos de absorción de dióxido de carbono. Versión 9 (Julio 2017)

Comment

Motor Gasoline

Emission factor

2.196

Unit

kg CO2e per liter

Emission factor source

Ministerio de Agricultura, Alimentación y Medio Ambiente y Oficina Española de Cambio Climático.Factores de emisión. Registro de huella de carbono, compensación y proyectos de absorción de dióxido de carbono. Versión 9 (Julio 2017)

Comment

C8.2f

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

Basis for applying a low-carbon emission factor

Energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Wind

Hydropower

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

165399

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

0

Comment

Caixabant bought 165.399 MWh of guarantees of origin to cover 100% of the electricity consumption at the Central Services and over 99,24% of the electricity consumption in the Branch Network in 2017. This is guaranteed by the supplier company Gas Natural Fenosa through a certificate from the CNE, Comisión Nacional de Energía (the national energy comission of Spain). The main types of renewable energy Gas Natural Fenosa use are hydraulic and wind energy.

C9. Additional metrics

C9.1

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

C10. Verification

C10.1

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

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

C10.1a

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

Scope

Scope 1

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Reasonable assurance

Attach the statement

Verification_Caixabank.pdf

CAIXABANK_Certificate_2017.pdf

Page/ section reference

All document. Special section for CDP in page 10 to 13

Relevant standard

ISO14064-3

ISO14064-3 ISO 14064:2012-1

Proportion of reported emissions verified (%)

100

Scope

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Reasonable assurance

Attach the statement

Verification_Caixabank.pdf

CAIXABANK_Certificate_2017.pdf

Page/ section reference

All document. Special section for CDP in page 10 to 13

Relevant standard

ISO14064-3

ISO14064-3 ISO 14064:2012-1

Proportion of reported emissions verified (%)

100

C10.1b

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

Scope

Scope 3- all relevant categories

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Attach the statement

Verification_Caixabank.pdf

CAIXABANK_Certificate_2017.pdf

Page/section reference

All document. Special section for CDP in page 10 to 13

Relevant standard

ISO14064-3

ISO14064-3 ISO 14064:2012-1

C10.2

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

Yes

C10.2a

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

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

C11. Carbon pricing

C11.1

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

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

C11.2

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

Yes

C11.2a

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

Credit origination or credit purchase

Credit purchase

Project type

Wind

Project identification

Project: CLP Wind Tamil Nadu. The Project activity involves generation of electric power using Wind Energy Generators (WEG). The goal is to commission and operate a wind farm of 49.5 MW ("the Project") in the Tamil Nadu state in India and supply power to the state electricity distribution company/grid, which is a part of Southern regional grid of India.

Verified to which standard

VCS (Verified Carbon Standard)

Number of credits (metric tonnes CO₂e)

34753

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

34753

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, who increases its commitment to climate change by undertaking the promotion and registration of this absorption project. There are 147 tones available for this project: This figure results from applying 20% to the absorption foreseen for the entire period of permanence (812 tones), discounting the part that will be destined to the guarantee bag and the absorptions already assigned. The 20% limitation is due to the fact that until the carbon sequestration produced by the project is proven and, therefore, there are absorptions with which to compensate, only a limited amount of "future" removals may be used in compensations, an amount that has been fixed in 20% of the total expected. On the other hand, 10% of these absorptions will be stored in the guarantee bag. In 2017, Caixabank offer 25 tones of this project, and will continue offsetting with it in the next years.

Project identification

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

Verified to which standard

Other, please specify (Spanish Government)

Ministerio de Agricultura, Pesca y Alimentación , Spanish Government

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

Both Credit purchase and Credit origination. The promoter of this project is CAIXABANK, who increases its commitment to climate change by undertaking the promotion and registration of this absorption project. There are 147 tones available for this project: This figure results from applying 20% to the absorption foreseen for the entire period of permanence (812 tones), discounting the part that will be destined to the guarantee bag and the absorptions already assigned. The 20% limitation is due to the fact that until the carbon sequestration produced by the project is proven and, therefore, there are absorptions with which to compensate, only a limited amount of "future" removals may be used in compensations, an amount that has been fixed in 20% of the total expected. On the other hand, 10% of these absorptions will be stored in the guarantee bag. In 2017, Caixabank offer 25 tones of this project, and will continue offsetting with it in the next years.

C11.3

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

Yes

C11.3a

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

Objective for implementing an internal carbon price

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

GHG Scope

Scope 1
Scope 2

Application

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

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

5

Variance of price(s) used

A single price is applied throughout the company and it can develop over time as a result of the market (as our price on carbon is partly set based on the average carbon credit price of the voluntary carbon market). In 2016 the average carbon price of the voluntary market was of \$3 / tonne CO₂*, a lower price compared to 2015, where the average price was of \$3.3 / tonne CO₂. Besides market prices, our internal carbon price is also determined on what part of our budget we are willing to use for reducing our environmental impact. In addition, we also took into account the investment of the Montserrat project (see question C11.2a) and the tones of CO₂ that can be offset through it. *Source of the carbon credit price in the voluntary carbon market: Raising Ambition State of the Voluntary Carbon Markets 2017

Type of internal carbon price

Shadow price
Offsets

Impact & implication

The rationale for employing a carbon price is that we think that it's important that enterprises put a price on carbon, to help limit the increase in global mean temperature to 2 degrees Celsius above pre-industrial levels. In addition, we assume that independently of the regulations, addressing climate change will be both a cost and an opportunity for us. Using a price on carbon allows us to determine our investments in GHG emissions reductions strategy, which consists in reducing emissions via the development of energy efficiency projects, raising environmental awareness, promoting good environmental practices and offsetting the emissions that we are not able to reduce. Examples of how carbon pricing affects strategic decision-making related to future investments: CaixaBank's policy focuses on reducing operational costs through executing emissions reduction activities that lead to a reduction in energy consumption and thus a decrease in emissions. These activities include the purchase of renewable electricity with Guarantee of Origin, energy efficiency activities such as replacement of lights and computers, etc. In addition, we use an internal price of carbon to promote the offsetting of those emissions that we are still not able to reduce. This enables us to have an annual budget for buying carbon credits of high quality emissions reduction projects, and as an incentive for following up with the planning and execution of carbon reduction initiatives. Our price on carbon is set at €5/tCO₂ based on the average carbon credit price of the voluntary carbon market, which in 2016 was \$3/tCO₂* as well as on what part of our budget we are willing to use for reducing our environmental impact. In addition, we also took into account the investment of the Montserrat project (see C11.2a) and the tones of CO₂ that can be offset through it. A higher carbon pricing would lead to do an increase in investments on energy efficiency and emissions reductions activities, in order to invest in reducing emissions on the long term and to spend less money on offsetting emissions. A lower carbon pricing would lead to the execution of less emissions reduction activities, because offsetting emissions would be cheaper than investing in energy efficiency. *Source of the carbon credit price in the voluntary carbon market: Raising Ambition State of the Voluntary Carbon Markets 2017

C12. Engagement

C12.1

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

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

C12.1a

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

Type of engagement

Compliance & onboarding

Details of engagement

Climate change is integrated into supplier evaluation processes

% of suppliers by number

100

% total procurement spend (direct and indirect)

100

% Scope 3 emissions as reported in C6.5

70

Rationale for the coverage of your engagement

CaixaBank, its subsidiaries and the remaining Group CaixaBank companies include an obligatory acceptance clause in their contracts, in which suppliers agree to acknowledge and comply with the Principles of the United Nations Global Compact, the social, ethical and environmental standards of the Group and the bank's environmental policy. There are three principles directly involved with the environment and hence, a strategy on the issues related to Climate Change: they include the support of the businesses to a precautionary approach to environmental challenges; undertake initiatives to promote greater environmental responsibility and to encourage the development and diffusion of environmentally friendly technologies. All potential suppliers are requested to state in the bid's documentation whether they have environmental certifications such as ISO14001 as well as the availability of an environmental policy. In order to select suppliers, CaixaBank uses questionnaires from the Green Purchasing Manual for all the suppliers in general with a specific questionnaire for ink cartridges. Suppliers report the sustainability of their manufacturing processes, certifications, recycling and materials, etc. In 2017 various parts of this manual were updated, extending the environmental criteria included in the conditions specifications under which services are arranged that may be more sensitive from an environmental standpoint, in line with their possible impact. In fact, CaixaBank's purchase area has been restructured so that those purchases and hiring that have a higher potential environmental impact are identified. Regarding these categories, the Green Purchasing Manual is being extended with more cards, which are being implemented and control over the application of these criteria is being established.

Impact of engagement, including measures of success

As a result of the requirements mentioned in the previous column, 100% of CaixaBank's suppliers have accepted the Principles of the United Nations Global Compact, the social, ethical and environmental standards of the Group and the bank's environmental policy, which as mentioned include climate change goals and principles. CaixaBank has an online supplier management tool where all the information associated to suppliers is stored, including information about their environmental management systems certifications, among others. In 2017, 141 suppliers had certified environmental management systems (ISO 14001) or an own environmental policy and these suppliers represented the 51,68% of the procurement spent. This is an improvement respect to 2016, where 129 suppliers (51,32% of the procurement spent) had certified Environmental Management systems (ISO 14001) or an own environmental policy

Comment

We are currently working on requesting information from our suppliers regarding whether they calculate their carbon footprint within our online tool to manage supplier information. In addition, we are planning to make a new policy and a new ethical code for contracting suppliers (planned to be implemented in 2018)

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

0.21

% total procurement spend (direct and indirect)

28.8

% Scope 3 emissions as reported in C6.5

0

Rationale for the coverage of your engagement

Caixabank collects information regarding many aspects of its suppliers, including environmental and climate change information. Among this information, Caixabank asks whether its suppliers have the ISO 14001, an important standard that helps promote good practice in environmental and energy management, and thus helps in the fight against climate change. Specifically, in 2017 Caixabank received information regarding the implementation of ISO 14001 of 938 suppliers. In this sense, in 2017 Caixabank identified its two main suppliers (which correspond to the 28,8% of total procurement spend) that did not have the ISO 14001. Due to the importance of this standard, and the large percentage of total procurement spend in these 2 suppliers, Caixabank actively approached these 2 suppliers in order to engage them in acquiring the ISO 14001 and thus help in reducing greenhouse emissions, among many others.

Impact of engagement, including measures of success

This active approach from Caixabank to engage these two significant suppliers in implementing the ISO14004 has been successful, as the two suppliers will acquire this certification by the end of the year. This way, through acquiring this certification, the two suppliers will implement good practice in their environmental and energy management and contribute to the fight against climate change. Caixabank will keep asking this and other related information in future years.

Comment

These two suppliers (out of 938 that have informed Caixabank whether they have the ISO 14001) manage the technological infrastructure of Caixabank and therefore do not represent a significant part of Caixabank's scope 3 emissions

C12.1b

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

Type of engagement

Education/information sharing

Details of engagement

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

Size of engagement

100

% Scope 3 emissions as reported in C6.5

0

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

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

Impact of engagement, including measures of success

Caixabank monitors the number of transactions, clients and benefits obtained annually for providing green banking services to individual customers to finance green products and that allows the Group to measure the success of its green products and services and the information shared with the customers about these. In 2017, the ecoFund (which invests only in environmentally friendly assets and stocks) had a volume of 11,1 M EUR, which represents an increase from 2016, where the ecoFund had a volume of 7,94 M EUR. On the other hand, 540 Green accounts were opened in 2017 (which collaborate with WWF and sustainable development), representing a decrease compared to 2016, where 817 Green accounts were opened. Other products such as the ecomicrocredits are offered by Caixabank to finance e.g. vehicles that are more environmentally friendly as well as home improvements to raise energy efficiency, among others. A total of 648 operations were carried out that corresponded to 6,70 Million EUR granted, which is an increase compared to 2016 where a total of 579 operations were carried out (5,56 Million EUR granted). Caixabank has implemented a new project called "responsible data project" that consists in identifying the green products that are sold more accurately, as the current system does not allow in most cases to differentiate the green products as they are integrated with the total business volume

C12.1c

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

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

VidaCaixa is signatory of the UNPRI and is working to consider Environmental, Social and Governance (ESG) aspects such as the strategy of mitigation and adaptation to the climate change of the companies in the decision making process. In fact, the company is looking for specific ESG metrics to combine financial and not financial aspects. CaixaBank Asset Management is also signatory of the UNPRI.

CaixaBank disseminates this commitment to its different stakeholders through different channels such as the Annual Report or CDP Questionnaire, both mainly addressed to investors, or its Environmental Statement and EcoCaixa website, both addressed to the general public.

Furthermore, since February 2015, CaixaBank has adopted the Green Bond Principles as an underwriter. During these two years, the bank has placed as a Joint Bookrunner in the placement of green bonds for investment in sustainable assets. For instance, in 2017 has participated in the placement of three green bonds –Gas Natural Fenosa, Iberdrola and Repsol- by an amount of 2,050 M€.

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

C12.3

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

Trade associations
Funding research organizations
Other

C12.3b

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

Yes

C12.3c

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

Trade association

Fundación SERES

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

Fundación SERES is a group of more than 100 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. For instance, SERES has worked as a strategic ally in Spain with the UNEP and the private sector to define the 17 Sustainable Development Goals that cover environmental protection, social development and economic growth. One of these goals is to take actions to tackle climate change. The results of this work, conducted in 2014, were presented in 2015 as a strategy for the post-Kyoto era.

How have you, or are you attempting to, influence the position?

CaixaBank is member of Fundación SERES and its position on climate change is consistent with theirs. CaixaBank works to reduce GHG emissions and climate change is integrated into the business strategy. CaixaBank promotes CC mitigation and prevention as well as increasing the social responsibility commitment of the private sector.

Trade association

Business cluster of climate change

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The business cluster of climate change is integrated by 60 Companies of Foretica association which is the only national representative of the World Business Council for Sustainable Development (WBCSD) in Spain. Some of the main actions carried out in 2017 were: In the framework of the Smart City Expo World Congress, the contribution of the private sector to climate action in cities was analyzed and the document "Climate Change and Cities: The action of companies", which highlights the important impact that cities have on climate change, was presented. Other actions include the participation of the cluster companies in the Sustainable Life Initiative in Cities of Forética through the presentation of collaborative impact projects that promote urban sustainability.

How have you, or are you attempting to, influence the position?

CaixaBank is a member of this cluster, as well as a member of Foretica, and actively participates in the position here developed, sharing experiences of climate change management.

Trade association

Spanish Group of Green growth

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

This group supports the Spanish Government and European Council in their agreement of cutting emissions by at least a 40% compared to the levels of 1990 by 2030; having at least a 27% of renewable energy installed by 2030 and improving energy efficiency by a 27% by 2030 and aims at developing a road map for private business to actively participate and manage the opportunities derived from a green growth framework

How have you, or are you attempting to, influence the position?

CaixaBank is adhered to this group and actively participated in the decisions taken, sharing its insight on climate change risk and opportunity management in climate change and energy efficiency.

Trade association

RE100

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

RE100 is a collaborative, global initiative of influential businesses committed to 100% renewable electricity, working to massively increase demand for - and delivery of - renewable energy. RE100 shares the compelling business case for renewables and showcases business action, while working with others to address barriers and develop transparent reporting mechanisms.

How have you, or are you attempting to, influence the position?

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

(C12.3d) Do you publicly disclose a list of all research organizations that you fund?

Yes

C12.3e

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

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

CaixaBank participated with the Catalan regional government to develop the Environmental quality guarantee emblem for the branch network. The environmental criteria aim to minimize the branches' impact on the environment and encourage the ecological sensitivity of employees and users. In 2000 "la Caixa" carried out a Life Cycle Analysis of its regional branch network of offices to offer data and parameters. In 2016 CaixaBank renewed its commitment with the Environmental quality guarantee emblem, which 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 2018.

CaixaBank is partner of Foretica, a multi-stakeholder organization that plays a key role in the communication of Corporate Social Responsibility since 1999. Foretica participates in national and international forums, where innovative solutions to the corporate management for big and small enterprises are developed. In addition, Foretica publishes valuable reports on several aspects of an organization, including CC. Foretica aims to promote the integration of social and environmental issues – including CC in the corporate strategy. Foretica's position on CC is to help the enterprises to maximize a positive contribution from the enterprises to reach a sustainable future. CaixaBank supports this position, as we are working towards minimizing our environmental impact and to reduce GHG emissions.

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

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. Since 1982, it runs several programmes in the education and research field, poverty and social exclusion, environment and culture. In 2017 "la Caixa" Foundation, invested EUR 74,9 M EUR in research and excellence training, including environment and CC, and scientific programs. Part of this 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. This network is becoming an international benchmark, while in Spain all relevant data is openly accessible. The network is created with the aim of promoting interdisciplinary collaboration with other scientists interested in climate and hydrology research. IC3, the research center conducting the ClimaDat research project, is an independent, non-profit research center, which is the first large-scope climate research center created in the Mediterranean Basin. As an independently managed, public non-profit institution, IC3 was created to efficiently undertake top level research in the field of climate sciences.

The results of these activities funded by CaixaBank align with the CC strategy of CaixaBank. For example, the work of IC3 will provide high quality climate records which will be useful for CaixaBank in preparing to face the medium and long term risks associated to change in temperature and precipitation patterns. This action is part of the strategy for managing the risk of changes in physical parameters. Knowing more about the patterns of climate change in Spain will help CaixaBank in advancing the precautionary measures urged in order to face changes in precipitation and temperature patterns, and adapt their insurance business strategy, which partly depends on climate changes.

C12.3f

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

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

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

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

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

C12.4

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

Publication

In mainstream reports in accordance with the CDSB Framework

Status

Complete

Attach the document

Integrated Corporate Report_2017_ENG.pdf

Content elements

Governance

Strategy

Risks & opportunities

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

Publication

In mainstream reports in accordance with the CDSB Framework

Status

Complete

Attach the document

Appendix to the Integrated Corporate Report_2017_ENG.pdf

Content elements

Governance

Strategy

Risks & opportunities

Other, please specify (environmental requirements for suppliers)

Publication

In other regulatory filings

Status

Complete

Attach the document

Environmental Declaration_2017_ENG.pdf

Content elements

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

Other metrics

Other, please specify (initiatives, finance of green projects)

Publication

In mainstream reports

Status

Complete

Attach the document

Socio-Economic Impact Report_2017_ENG.pdf

Content elements

Strategy

Emission targets

Other, please specify (initiatives, finance of green projects)

C14. Signoff

C-FI

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

As every year, in 2017 CaixaBank details and analyzes the evolution of its carbon footprint following the ISO 14064-1. However, the base year (2009) and subsequent years (2010-2017) have been recalculated due to the changes in the organizational and operational boundaries, as established by ISO 14064-1:2012. This year, the recalculation of the carbon footprint for 2009-2017 does not include any organizational or operational changes but includes a change in the methodology corresponding to: a change in the emission factor of water, toner laserjet and toner inkjet.

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

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

BOSQUE CAIXABANK MONTSERRAT (Credit origination project).pdf

Verification_Caixabank.pdf

RE100_Caixabank_2018.xlsx

CAIXABANK_Certificate_2017.pdf

CleanCO2_Certificate_CaixaBank_emissions_offset.pdf

C14.1

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

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

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

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

Please confirm below

I have read and accept the applicable Terms