



# CaixaBank, S.A. Appointments and Sustainability Committee Activity Report 2021

December 2021

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This Activity Report was drawn up by the CaixaBank, S.A. Appointments and Sustainability Committee (hereinafter referred to as the “Committee”) on 9 November 2021, in accordance with the Company By-laws and the Regulations of the Board of Directors, and will be submitted for approval by the Board of Directors of CaixaBank, S.A. (hereinafter referred to as “CaixaBank” or the “Company”) at its meeting of 15 December 2021.

This Report will be available for consultation on CaixaBank’s corporate website ([www.caixabank.com](http://www.caixabank.com)) together with all other documentation made available to the shareholders by the Company for the 2022 Ordinary General Meeting.

In response to the crisis caused by the Covid-19 pandemic, as occurred in the previous year, the Committee has adapted its functioning and has implemented the necessary measures to continue performing its activities in line with the best practices and recommendations that have been made by the health authorities.

During 2021, the Committee has furthered and consolidated the performance of its functions, acting within the scope of its responsibility at all times, adopting all the necessary resolutions and issuing all the relevant reports in accordance with current legislation or as expressly required.

## 1. Regulation

The Appointments and Remuneration Committee was created on 20 September 2007 by resolution of the Board of Directors. On 25 September 2014, the Board of Directors agreed to split said Committee, which from that date onwards would be known as the Appointments Committee and proceeding to create the separated Remuneration Committee. On 14 May 2021, the Ordinary General Shareholders’ Meeting agreed to amend the By-laws, modifying the name of the Committee (which went on to be called “Appointments and Sustainability Committee”) and strengthening their competences in terms of sustainability, taking on supervisory functions in terms of sustainability in the Company’s performance, as well as the approval of CaixaBank’s sustainability policy.

The Committee’s powers and functioning are described in Article 40.5 of the Company By-laws and Article 15 of the Regulations of the Board of Directors of CaixaBank.

Until now it has not been deemed necessary for the Committee to have its own regulations, as the Committee’s functioning is governed in sufficient detail by the rules included in the Regulations of the Board of Directors.

## 2. Composition

At December 2021, the Committee’s composition was as follows:

Member	Position	Type	Date of first appointment to the Committee
Mr. John S. Reed	Chairman <sup>1</sup>	Independent	01-02-2018
Mr Francisco Javier Campo García	Member	Independent	30-03-2021
Mr Eduardo Javier Sanchiz Irazu	Member	Independent	22-05-2020
Mr Fernando Maria Costa Duarte Ulrich	Member	Other external	30-03-2021

Table 1: Members of the Appointments and Sustainability Committee

The Appointments and Sustainability Committee has a total of four members, three of whom are independent directors and one of whom falls within the category of other external.

During 2021, following the merger by absorption of Bankia, S.A. by CaixaBank, the CaixaBank Board of Directors agreed at its meeting of 30 March 2021 to make changes to the composition of the Appointments and Sustainability Committee<sup>2</sup>. In particular, it was agreed that Mr Francisco Javier Campo García, independent member, and Mr Fernando Maria Costa Duarte Ulrich, other external director, be incorporated to cover the vacancy generated by the resignation of Ms María Teresa Bassons Boncompte and increasing by one the number of Committee members.

At December 2021, the diversity in the composition of the Committee is reflected in the following charts:

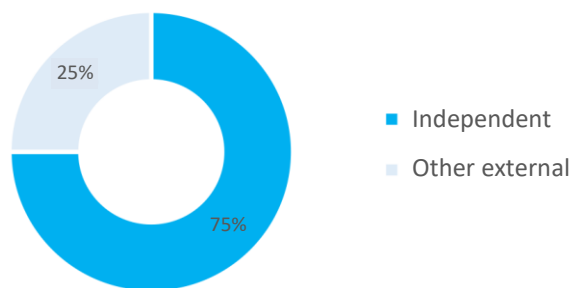


Chart 1: Directors’ category of the Appointments and Sustainability Committee

The members of the Committee have been selected taking into consideration their knowledge and experience. As a whole, the Committee members have the necessary technical expertise for the performance of their duties. For informative purposes, the Company’s website, [www.caixabank.com](http://www.caixabank.com), provides information on the professional careers of each of the members of the Committee.

<sup>1</sup> Appointed chairman of the Appointments and Sustainability Committee on 1 February 2018.

<sup>2</sup> Relevant information: [https://www.caixabank.com/StaticFiles/pdfs/210330\\_OIR\\_Comisiones\\_es.pdf](https://www.caixabank.com/StaticFiles/pdfs/210330_OIR_Comisiones_es.pdf)

The Committee has no female directors among its members.

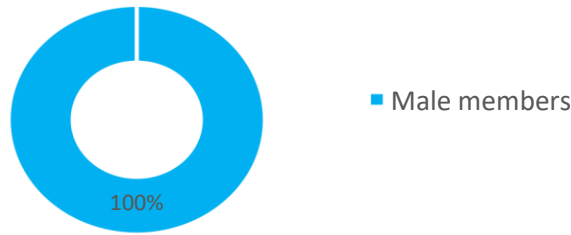


Chart 2: Gender diversity of the Appointments and Sustainability Committee

In addition, the length of service of the directors as members of the Committee is as follows:

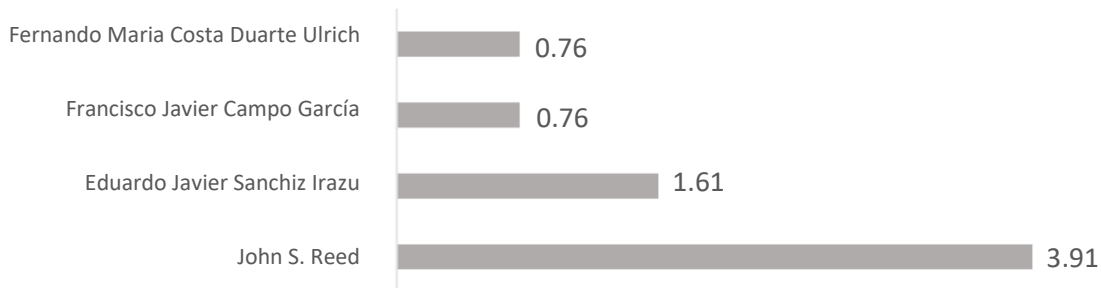


Chart 3: Length of service as members of the Appointments and Sustainability Committee

As regards the cross-involvement of the members of the Committee in other Board Committees, Mr Francisco Javier Campo García is also a member of the Audit and Control Committee; Mr Fernando Maria Costa Duarte Ulrich is also a member of the Risk Committee and Mr Eduardo Javier Sanchiz Irazu is in turn Chairman of the Risk Committee and a member of the Audit and Control Committee. For his part, the Chairman of the Appointments and Sustainability Committee, Mr John S. Reed, also holds the post of the Lead Independent Director of the Board of Directors of CaixaBank.

Member	Executive C.	Audit and Control C.	Remuneration C.	Risks C.	Innovation, Technology and Digital Trans. C.
Mr. John S. Reed					
Mr Francisco Javier Campo García		Member			
Mr Eduardo Javier Sanchiz Irazu		Member		Chairman	
Mr Fernando Maria Costa Duarte Ulrich				Member	

Table 2: Cross-involvement members of the Appointments and Sustainability Committee

In accordance with Article 15.4.(i) of the Regulations of the Board of Directors, the position of Secretary and Deputy Secretary of the Committee shall be held by the Secretary of the Board of Directors of CaixaBank and the First Deputy Secretary of the Board of Directors of CaixaBank, with the right to speak but not to vote, respectively.

### 3. The Committee’s Functioning

#### (i). Preparation

In order to prepare the Committee’s meetings, its members are provided with the documentation for the meeting (draft agenda, presentations, reports, minutes of the previous meetings and any other supporting documentation) sufficiently in advance of each meeting. Computer tools are used for this purpose to ensure the confidentiality of the information.

The Committee also establishes annual planning that is adapted to the needs that arise during the year.

#### (ii). Attendance

In accordance with its regulations, the Committee meets as necessary for the correct performance of its functions. Its meetings are called at the initiative of its Chairman, or on request by two members of the Committee itself, and whenever the Board of Directors or its Chairman request issue of a report or adoption of a proposal.

The Committee met on seven occasions in 2021.

In particular, the Committee members’ attendance of the meetings, either present or represented by proxy, in person or via telematic means, was as follows in 2021:

Members	Attendance/Number of meetings
Mr. John S. Reed	7/7
Mr Francisco Javier Campo García <sup>3</sup>	5/7
Mr Eduardo Javier Sanchiz Irazu	7/7
Mr Fernando Maria Costa Duarte Ulrich <sup>4</sup>	5/7
Ms M <sup>a</sup> Teresa Bassons Boncompte <sup>5</sup>	1/7

Table 3: Attendance by members of the Appointments and Sustainability Committee

<sup>3</sup> Appointed on 30.03.2021

<sup>4</sup> Appointed on 30.03.2021.

<sup>5</sup> Caused a vacancy on the Committee on 26.03.2021

During the meetings, limiting their presence to the points on the agenda within their sphere of competence and in order to inform the members of the Committee, these meetings were attended by guests including the CEO, the Director of Sustainability, the Director of Sustainability Risks, the Director of Investor and Shareholder Relations, the Director of Strategy and Sustainability Monitoring and the Director of Personnel. The following chart reflects the departments that regularly attend the Committee meetings.

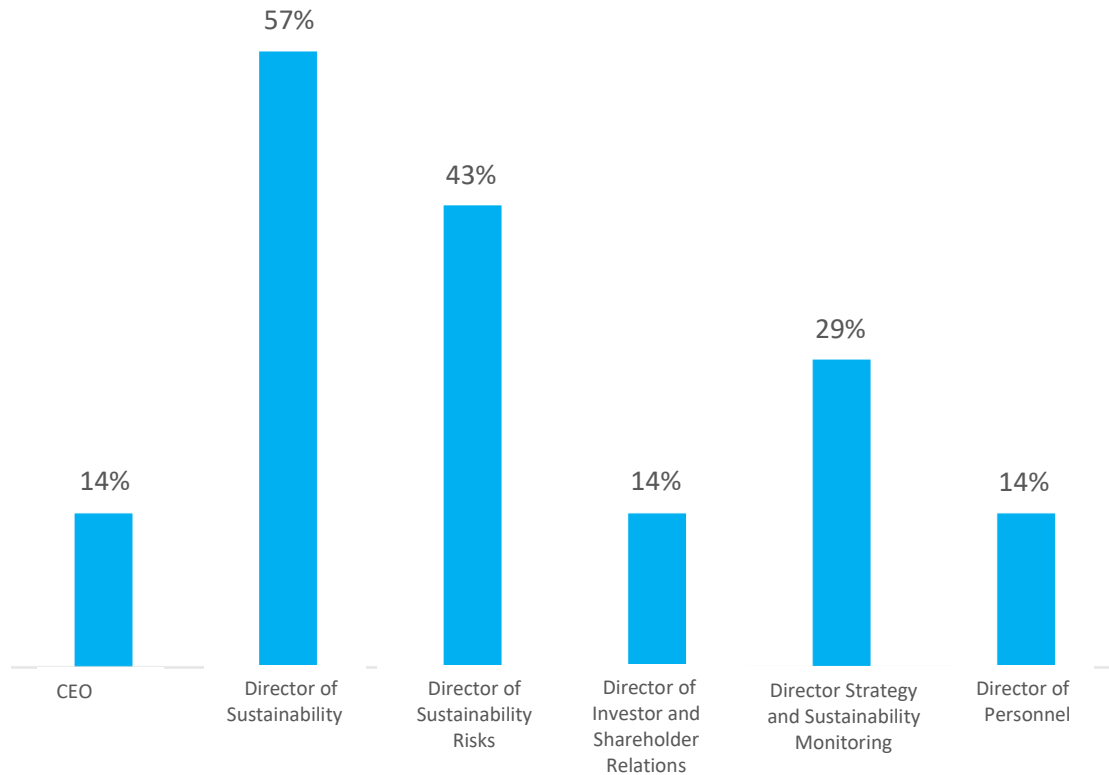


Chart 4: CaixaBank Area Attendance

(iii). **Conduct of meetings**

The Committee’s system determines quoracy of the meetings when the majority of its members are present in person or represented by proxy. Members may delegate their proxy representation to another member. Resolutions are adopted by majority vote of the members attending in person or by proxy, and minutes of the resolutions adopted at each meeting are taken.

The Committee may request the attendance of persons from the organisation whose work is related to its functions, and it may obtain all necessary counselling for it to form an opinion on the matters within its remit. This is managed by the Secretary of the Board.

There is constant involvement, discussion and debate between the Committee members on all the items dealt with at the Committee meetings, with the Directors providing different views of each matter.

(iv). **Reporting to the Board of Directors**

The Committee, through its Chairman, explains the activity and work its performs, during the meetings held by the Board of Directors and provides, where appropriate, recommendations to the Board of Directors in relation to policies and other specific matters.

Likewise, the minutes of the Committee meetings along with the appended documents are made available to all Directors, therefore providing all pertinent explanations at the Board of Directors' meetings.

#### 4. Fulfilment of Duties

The Committee has carried out the following activities in compliance with the basic functions established in Article 15.2 of the Regulations of the Board of Directors of CaixaBank:

(i). [Suitability of Directors and key staff. Size and composition of the Board. Submission to the Board of proposals for appointment of independent Directors. Reappointment. Removal. Reports to the Board on proposals for appointment of other Directors. Reappointment. Removal. Reports on proposals for appointment or removal of posts on the Board of Directors. Assessment of profiles of suitable persons to form part of the Committees. Reports on proposals for appointment or removal of Senior Managers.](#)

- The Appointments and Sustainability Committee, after the Bankia merger process, submitted to the Board of Directors a proposal for a new management structure. In this context, reporting favourably on the incorporation of Mr Manuel Galarza Pont and Mr Eurgenio Solla Tomé, as Director of Compliance and Control and Director of Sustainability, respectively, both of whom are members of the Management Committee, proposing that the Board of Directors approve their respective suitability reports.
- Likewise, as result of the composition of the Board of Directors after the merger with Bankia, the Committee deemed the proposal made by the Audit and Control Committee of incorporating Mr Francisco Javier Campo García and Mr Fernando Maria Costa Duarte Ulrich as new members of the Appointments and Sustainability Committee to be reasonable and proportionate. The Committee also proposed to the Board of Directions the following appointments to the committees, noting that each of the incorporations entailed increasing the number of sufficiently experienced members in the committees:
  - o The incorporation of the independent director Ms Eva Castillo Sanz as a member of the Executive Committee, which increased by one the number of members of the Committee, and recording that, in accordance with Article 13.7 of the Regulations of the Board of Directors, the Chairman of the Board, Mr José Ignacio Goirigolzarri Tellaeché was appointed member and Chairman of the Executive Committee.
  - o The incorporations of the independent director Mr Francisco Javier Campo García and of the proprietary director Ms Teresa Santero Quintillá, as members of the Audit and Control Committee, which in turn increased by two the number of members of the Committee.



- o The incorporations of the independent director Mr Joaquín Ayuso García and of the proprietary director Mr José Serna Masiá as members of the Remuneration Committee, to cover the vacancy generated by the resignation of Mr Alejandro García-Bragado Dalmau as a member and increasing the number of Committee members by one.
  - o The incorporations of the independent director Mr Joaquín Ayuso García and of the other external director Mr Fernando Maria Costa Duarte Ulrich as members of the Risk Committee, to cover the vacancy generated within the resignation of CajaCanarias Foundation represented by Ms Natalia Aznárez Gómez as a member and increasing the number of Committee members by one.
  - o The incorporation of the independent director Ms Eva Castillo Sanz as a member of the Innovation, Technology and Digital Transformation Committee, thus increasing the number of Committee members by one.
- Similarly, the Committee reported favourably to the Board of Directors on the proposal for appointing Mr José Ignacio Goirigolzarri Tellaeche as the Executive Chairman of CaixaBank's Board of Directors.
- Within the framework of the proposals to be submitted to the General Shareholders' Meeting on the reappointment of the director Ms Koro Usarraga Unsain and of the director Mr José Serna Masiá, the Committee deemed that they both continue to meet the necessary suitability requirements for performing their function as members of the Board of Directors of CaixaBank due to fulfilling the legal requirements set out in applicable national laws and the criteria established by the European Banking Authority Guidelines on the assessment of the suitability of members of the management body and key function holders (EBA/GL/2017/12) of 26 September 2017 and agreed to propose to the Board, for it to in turn be proposed to the Ordinary General Meeting held on 14 May, the reappointment of Ms Koro Usarraga Unsain as independent director of CaixaBank and, on the proposal by "la Caixa" Banking Foundation and by Criteria Caixa S.A.U., submitted the favourable report to the Board of Directors as per the reappointment of Mr José Serna Masiá as proprietary director.
- The Committee also proposed to the Board the approval of the suitability report relating to Mr David López Puig as new Director of Human Resources and reported favourably on his appointment proposal, effective as of 1 January 2022.
- Similarly, the Committee proposed to the Board the approval of the suitability report on Mr Carlos López Agudo as Director of Regulatory Compliance, issuing a favourable report on the proposal for his appointment.

- Finally, the Committee approved the continuous suitability assessments of all the Directors and the Entity's senior managers, and other key function holders.

#### (ii). Succession plans for Directors

- The Committee has complied with the established Succession Plan through the proposal to appoint Mr Carlos López Agudo as Director of Regulatory Compliance, with the expected appointment of a deputy director who will occupy Mr López Agudo's post in the Succession Plan.

#### (iii). Gender diversity

- The Committee has taken gender diversity into consideration when making its appointment proposals during this financial year.

#### (iv). Periodic suitability assessment of the Board of Directors, Committees, Chairman, Chief Executive Officer, Secretary and Management Committee. Suitability assessment of Board members and the Board as a whole. Assessment of the balance of knowledge, skills, diversity and experience of the Board of Directors

- Taking into consideration the legal integration and the merger process carried out during 2021, the Committee agreed to conduct an internal self-assessment. The Committee thus approved the self-assessment questionnaires forming the basis for the Directors' self-assessment exercise. The methodology used was fundamentally based on analysing the questionnaire responses.
- As a result of that internal self-assessment process and of the analysis of the size, structure and composition of the Board, the Appointments and Sustainability Committee has drafted a single report to be submitted to the Board of Directors. Said report confirms that the functioning and composition of the Board of Directors is appropriate for the exercise and performance of the functions inherent to the same, in particular for the correct management of the entity which the management body has carried out, especially taking into consideration the exceptional circumstances that have affected the Entity during 2021. The outcome of this exercise has been reflected in the definition of an Improvement Plan to be implemented during 2022 with the aim of continuing to improve the quality and efficient functioning of the Board and of its committees.

(v). **Corporate governance, annual verification of the Directors' status and Corporate Social Responsibility**

- In compliance with its function of overseeing and monitoring the Company's corporate governance system, in the financial year 2021 the Appointments and Sustainability Committee studied the draft of the Annual Corporate Governance Report for 2020, agreeing with its content and issuing a favourable report to the Board.
- Similarly, the Committee analysed the scores of the Board members and confirmed that the individual score obtained by each of the members of the Board of Directors, in accordance with the definitions set forth in Article 529 duodecies of the Spanish Corporation Act, which are included in Article 19 of the Regulations of the Board of Directors, was that reflected in the draft of the Annual Corporate Governance Report that was submitted to the Board of Directors.
- Likewise, the Committee reported favourably on the corporate governance information that has been included in the Management Report, which has been verified by Internal Audit, as well as the Socio-economic Impact Report and contribution to the 2020 SDGs, which has also been verified by Internal Audit, as well as its publication on the corporate website.
- In accordance with the responsibility for overseeing and monitoring the appropriate functioning of the corporate governance system submitting, where appropriate, proposals for improvement, the Committee approved a proposal for Modification of the Regulations of the Board of Directors, consisting of:
  - Specifying that technological risks include *"those related to cyber-security"*.
  - Replace the name of the Appointments Committee for that of the *"Appointments and Sustainability Committee"*, thus strengthening its competences in terms of sustainability.
  - Unify the appointment regime for the members of all Board committees.
  - Reflect the necessary creation of the Innovation, Technology and Digital Transformation Committee.
  - Eliminate the abstention forecast of the proprietary directors who represent only one shareholder in the deliberation and voting on appointment through co-optation of independent directors.
- The Appointments and Sustainability Committee reported favourably to the Board of Directors on the updating of the Policy on communication and contacts with shareholders, institutional investors, and proxy advisors in line with the Corporate Governance Recommendations.

- Similarly, the Committee reported favourably on the opportunity to obtain an AENOR certificate in the field of corporate governance.
- The Committee began to review the suitability and corporate governance policies, reporting favourably on the modification of the Corporate Governance Policy. Such modification derived, on the one hand, from recent legal reforms which have influenced relevant aspects of governance within listed companies and, on the other hand, on the actual development over recent years that has affected the series of rules, corporate policies, codes of conduct and internal procedures that comprise the corporate governance system of CaixaBank and its Group.
- The Committee agreed to submit to the Board of Directors a new modification of the Regulations of the Board of Directors with a view to adapting it to the new legal regime of related-party transactions laid down in Law 5/2021, of 12 April.
- The Committee also reported favourably on the modification of the Policy for the definition of the group structure due to the recent legal reform in terms of related-party transactions and intra-group relations with conflicts of interest and, on the other hand, to expressly reflect the Company's commitment towards the corporate values of CaixaBank and its Group, which determine the lines of actions in accordance with ESG criteria.
- Similarly, the Committee performed an analysis within the scope of corporate governance, submitting proposals for improvement to the Board of Directors and analysing the degree to which the corporate governance recommendations have been followed.
- Finally, the Committee reported favourably to the Board on the Training Plan for directors for 2022.

#### (vi). Sustainability

- Corporate social responsibility has acquired a more extensive content that is expressed beneath the term "sustainability", which in particular has gained an increasing importance in so far as management within companies under the ESG criteria (environmental, social and governance factors of companies) and also as an element of decision for investors. In this sense, within the partial reform of the Code of Good Governance of listed companies that the CNMV approved on 26 June 2020, Recommendations 53, 54 and 55 were modified to incorporate the above-mentioned aspects of ESG management, proposing that companies may establish a specialised committee to this effect that is solely made up by external directors, most of whom would be independent, and extending the functions of said Committee in terms of sustainability. Thus, the Committee reported favourably on the proposal to modify the Regulations of the Board of Directors in order to replace the name of the Appointments Committee for that of "Appointments and Sustainability Committee" and to also strengthen its competences in terms of sustainability.

- Likewise, the Committee reported favourably to the Board on the approval of the action plans proposed for responding to the ECB's requirements to perform a self-assessment on compliance with the supervisory expectations in the field of climate and environmental risk management.
- The Committee also studied the letter issued by the JST (Joint Supervisory Team), which provided feedback on compliance assessment of the supervisory expectations in terms of climate and environmental risks and the establishment of action plans for complying with these expectations.
- The Committee has been repeatedly informed of the activity performed by the Sustainability Area, submitting to the Board the proposal for developing the 2022-2024 Sustainability Master Plan.

## 5. Annual assessment of the Committee's functioning

This report has been prepared in accordance with Article 529 nonies of the Spanish Corporations Act, as part of the annual assessment that the Board of Directors must carry out of its functioning and that of its committees.

The self-assessment exercise gives a positive rating to the development of the Committee's activities in 2021. Furthermore, the Committee considers that the frequency and duration of the meetings held are generally adequate for its proper functioning and for advising the Board of Directors.