



# CaixaBank S.A. Innovation, Technology and Digital Transformation Committee Activity Report 2023

December 2023

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This Activity Report was drawn up by the CaixaBank S.A. Innovation, Technology and Digital Transformation Committee (hereinafter referred to as the “Committee”) on 5 December 2023, in accordance with the Regulations of the Board of Directors and submitted for approval by the Board of Directors of CaixaBank, S.A. (hereinafter referred to as “CaixaBank” or the “Company”) at its meeting of 21 December 2023.

During the financial year 2023, 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. Governance

CaixaBank’s Innovation, Technology and Digital Transformation Committee was created on 23 May 2019 by resolution of the Board of Directors, with the purpose of providing advice to the CaixaBank Board of Directors in all matters regarding the entity’s technology innovation, cyber security and digital transformation.

At its meeting of 30 March 2021, the Board of Directors agreed to expressly incorporate the basic regulations of the Innovation, Technology and Digital Transformation Committee into the Regulations of the Board. The Committee’s powers and system of functioning are described in Article 15 bis 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 contained in the Regulations of the Board.

## 2. Composition

At December 2023, the composition of the Committee is as follows:

Member	Position	Type	Date of first appointment to the Committee
José Ignacio Goirigolzarri Tellaeché	Chairman	Executive	30-03-2021
Gonzalo Gortázar Rotaeché	Committee Member	Executive	23-05-2019 <sup>(1)</sup>
Eva Castillo Sanz	Committee Member	Independent	30-03-2021
Cristina Garmendia Mendizábal	Committee Member	Independent	23-05-2019
María Amparo Moraleda Martínez	Committee Member	Independent	23-05-2019 <sup>(1)</sup>
Francisco Javier Campo García	Committee Member	Independent	31-03-2023

Peter Löscher	Committee Member	Independent	31-03-2023
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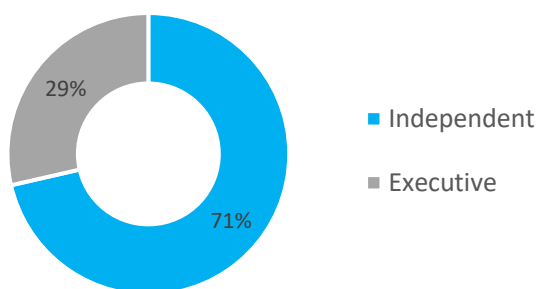
*Chart 1: Innovation, Technology and Digital Transformation Committee members.*

<sup>(1)</sup> Reappointed as a member of the Board of Directors on 31 March 2023.

The Innovation, Technology and Digital Transformation Committee is composed of a total of 7 members, 5 of whom are independent Directors and 2 of whom are executive Directors.

In accordance with the Regulations of the Board, the Chairman of the Board of Directors, Mr. José Ignacio Goirigolzarri Tellaeché, is the Committee Chairman, and the Chief Executive Officer, Mr. Gonzalo Gortázar Rotaeché, is a member of the Committee. In 2023 the Committee's composition changed, as the Board agreed to incorporate as members Mr. Francisco Javier Campo García and Mr. Peter Löscher, both independent Directors, increasing the number of members by two. The Board of Directors also resolved to reappoint Mr. Gonzalo Gortázar Rotaeché, Ms. María Amparo Moraleda Martínez and Ms. Cristina Garmendia Mendizábal as members of the Committee, following their reappointment as Directors by the General Meeting.

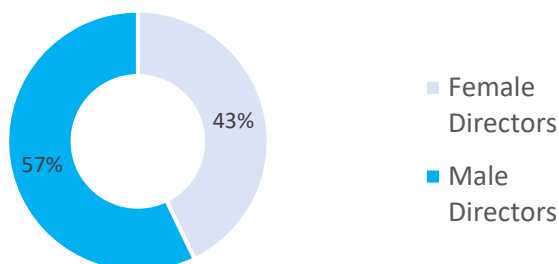
At December 2023, the diversity of the Committee's composition is as shown in the following graphs:



*Graph 1: Directorship category of the Innovation, Technology and Digital Transformation Committee members.*

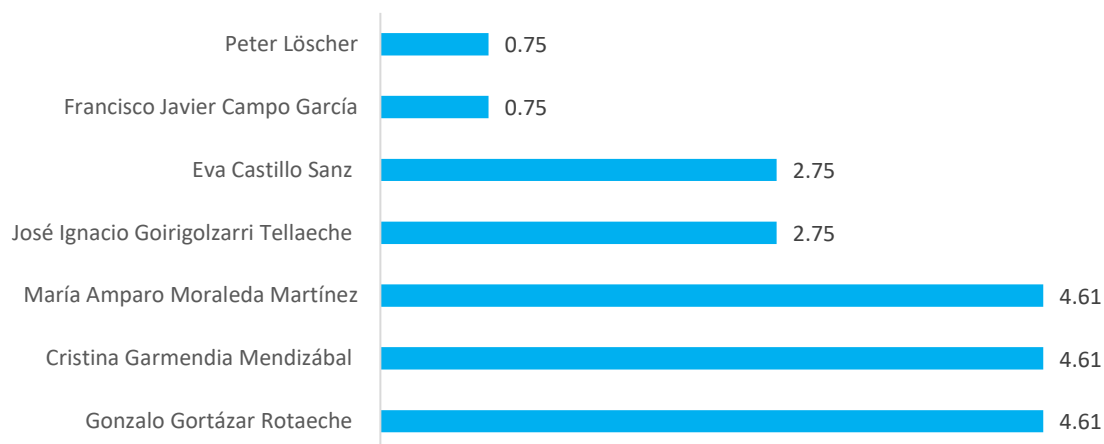
The Committee members have the necessary knowledge and experience to carry out their duties. The Committee members overall have the necessary knowledge to carry out their functions. The professional resume of each Committee member is available for information purposes on the Company's website, <https://www.caixabank.com>.

With regard to gender diversity, the percentage of women on the Committee is currently 43% of its members.



*Graph 2: Gender diversity of the Innovation, Technology and Digital Transformation Committee.*

Also, the Directors' seniority on the Committee at 31 December 2023 is as follows:



Graph 3: Number of years as Innovation, Technology and Digital Transformation Committee members.

With regard to cross-participation of the Committee members, José Ignacio Goirigolzarri Tellaache, Chairman of the Board of Directors of CaixaBank, is also the Chairman of the Executive Committee; Gonzalo Gortázar Rotaache, the Chief Executive Officer, is a member of the Executive Committee and Eva Castillo Sanz is a member of the Executive Committee and the Chairwoman of the Remuneration Committee; Cristina Garmendia Mendizábal is also a member of the Audit and Control Committee and the Remuneration Committee; and María Amparo Moraleda is also the Chairwoman of the Appointments and Sustainability Committee and a member of the Executive Committee. Likewise, Mr. Francisco Javier Campo García is also a member of the Appointments and Sustainability Committee and the Audit and Control Committee, and Mr. Peter Löscher is also a member of the Appointments and Sustainability Committee.

Member	Executive Committee	Appointments and Sustainability Committee	Audit and Control Committee	Remuneration Committee	Risk Committee
José Ignacio Goirigolzarri Tellaache	Chairman				
Gonzalo Gortázar Rotaache	Committee Member				
Eva Castillo Sanz	Committee Member			Chairwoman	
Cristina Garmendia Mendizábal			Committee Member	Committee Member	
María Amparo Moraleda Martínez	Committee Member	Chairwoman			
Francisco Javier Campo García		Committee Member	Committee Member		
Peter Löscher		Committee Member			

Chart 2: Cross-participation of the Innovation, Technology and Digital Transformation Committee members.

In accordance with Article 15 bis.3. of the Regulations of the Board of Directors, the positions of Secretary and Deputy Secretary of the Committee are held in an advisory capacity by the Secretary of the Board of Directors of CaixaBank and the First Deputy Secretary of the Board of Directors of CaixaBank 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, using specially designed computer tools to ensure the confidentiality of the information.

The Committee also establishes annual scheduling, adapted to the requirements arising during the year, and at each meeting documentation is provided on the monitoring of this scheduling, the monitoring of petitions and information requests and the monitoring of resolutions and decisions.

#### (ii) Attendance

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

In 2023, the Committee met 5 times.

Specifically, the Committee members' attendance of the meetings, in person or by proxy, either on-site or online, was as follows in 2023:

Members	Attendance/No. Meetings <sup>1</sup>	%	Delegations
José Ignacio Goirigolzarri Tellaeché	5/5	100	-
Gonzalo Gortázar Rotaeché	5/5	100	-
Eva Castillo Sanz	5/5	100	-
Cristina Garmendia Mendizábal	5/5	100	-
María Amparo Moraleda Martínez	5/5	100	-
Francisco Javier Campo García*	4/4	100	-

<sup>1</sup> This column only shows in-person attendance, either physical or remote online attendance. As to the number of meetings, in cases where the Director was appointed as a Committee member during the year only the meetings held after their appointment are counted.

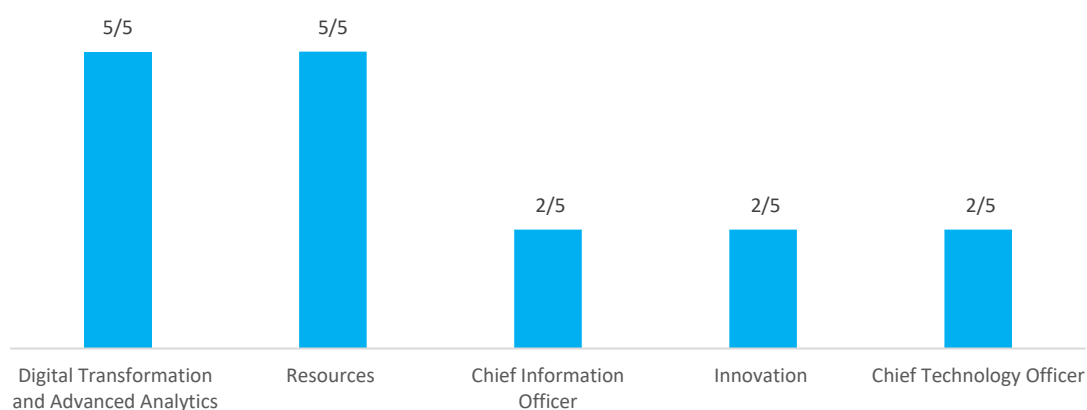
Peter Löscher**	3/3	100	-
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Chart 3: Members' attendance of the Innovation, Technology and Digital Transformation Committee meetings.

\* Appointed as a Committee member on 31/03/2023

\*\* Appointed as a Committee member on 31/03/2023, having accepted his post on 15 May 2023 after receiving notification of his suitability for a Directorship from the European Central Bank.

As to the Committee's functioning, the Head of Innovation, Technology and Digital Transformation and the Head of Resources attended to all the Committee meetings as guests. The Chief Information Officer, the Chief Technology Officer and the Directors of the Innovation, Process Engineering, Risk and Resources Divisions also attended the meetings as guests on an occasional basis, limiting their attendance to the agenda items within their remit and with the purpose of providing information to the Committee members. The graph below shows the departments attending the Committee meetings on a more regular basis.



Graph 4: Attendance by CaixaBank's Departments.

### (iii) Conduct of meetings

The Committee's system considers a meeting quorate 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 being dealt with by the Secretariat 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 on each matter.

### (iv) Reporting to the Board of Directors

The Committee, via its Chairman, reports on its activities and work during the meetings of the Board of Directors and, where appropriate, also makes recommendations to the Board members



on policies or other specific issues, also providing all the Directors with a summary of each meeting held.

The minutes of the Committee meetings, together with the annexed documents, are also made available to all the Directors and informed of at the plenary session of the Board.

#### **4. Fulfilment of Duties**

The Committee has carried out the following activities in compliance with its basic duties as established in Article 15 bis of the Regulations of the Board of Directors of CaixaBank:

##### **(i) Monitoring of CaixaBank's technology and innovation strategies**

In order to advise on the implementation of the aspects of the Strategic Plan concerning digital transformation and technology innovation, the Committee was informed of the progress of the 2023 Technology Plan, the 2023 Innovation Plan and the IT Transformation Plan. In particular, the Committee conducted detailed monitoring of the results of the plans submitted and the most significant advancements were presented by the Managers of the different departments involved.

With regard to the 2023 Technology Plan, the Committee was informed of the Resources Department's priorities within the areas of quality, transversality and efficient resource management for this year.

As to the 2023 Innovation Plan, the Committee studied the new developments in Innovation for this year, particularly informing of the advancements in Artificial Intelligence, reporting on the more in-depth knowledge of generative artificial intelligence and neural network artificial intelligence applied to graphs, and also informing of the progress of the European Central Bank's Digital Euro Project and similar projects launched by other Central Banks.

The Committee also monitored the IT Transformation Plan and the strategy to be implemented in order to achieve an open architecture called Open Now. Likewise, the Committee was informed of sector trends and the use of SaaS, core to cloud and data to cloud strategies, and it was confirmed that CaixaBank was also working on implementing all these strategic lines.

##### **(ii) Impact of technological innovation on transaction models and processes in 2023**

On carrying out its duties, the Committee analysed the impact of technology innovations on the Process Plan and the new transaction model, and the priorities in these areas for 2023.

As to the Process Plan, the work done on reviewing the 2023 Plan was presented to the Committee. In particular, it was informed that the review incorporated a cross-cutting vision of the processes, going from a vertical to a horizontal perspective, focusing on the customers and seeking quicker time-to-market and the use of advanced technologies. In particular, it was informed that 2 lines of work had been implemented, geared to improving loan contracting, international banking, customer registration and information update, and workload reduction.



The new transaction model (MO2) was also reviewed. This review contemplated the benchmarking undertaken and the areas for improvement identified.

### **(iii) Integration of technology in the development of CaixaBank's Risk Models**

The Committee was informed of the new advanced credit risk modelling methodologies currently being implemented. As part of this explanation, the Committee was informed of the evolution of the models implemented at CaixaBank from the 1990s until the present time, and it was indicated that evolution towards the use of advanced machine learning technology had begun in 2014 and the challenges posed by the current innovation environments were described.

Also, the lines of work currently underway were presented, focusing on extending the uses of the models throughout the entire loan life cycle, mining internal and external data to improve the models, using the most suitable advanced modelling methodologies, and the mechanisms to guarantee ethical conduct on using artificial intelligence solutions.

As to the challenges posed on innovating the credit risk models, details were provided on the technical challenges related to the new programming languages, the impacts on the management of new models and the time required to start them up in a productive environment. Likewise, information was given on the ethical challenges regarding the use of data and the decisions made on the basis of results obtained from algorithms, and on regulatory developments for the integration of these technologies to credit institutions' risk models.

### **(iv) Data ethics strategy and lines of work, governance of data use and artificial intelligence**

In accordance with its functions as a body promoting reflection and debate on the ethical and social implications of the use of new technologies in the banking and insurance business, the Committee reviewed the advancements made in the governance of ethical data use and control and transparency of use of AI systems, allowing time for debate on the items presented and identification of aspects for improvement. In this regard, the Committee was informed of the work done to adapt the methodologies and uses of the tools to the current legislation and draft regulations under development.

In particular, the Committee was provided with detailed information on the work implemented and under continuous development for adaptation of the PIA methodologies in order to assess the compliance of the AI with the GDPR requirements, the processes created, the internal tools developed and the external counselling in this area.

The Committee was also informed of the results of the benchmarking participated in by CaixaBank regarding the use of AI in financial institutions in the United States and Europe.

### **(v) Technology and Cyber Security Risk Monitoring**

On performing its functions, the Committee monitored the advancements in cyber security accompanying the new technology capacities implemented by the entity. The Committee

assessed the general threat environment, the main trends in cybercrime and the lines of work underway to continue strengthening CaixaBank's resilience and security controls.

The Committee was also informed of the progress made in implementing the cyber security strategy at CaixaBank, the action plans defined to cater to the supervisory expectations and the awareness-raising campaigns on cyber security for customers and employees.

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

This report was drawn up in accordance with Article 529 *nonies* of the Spanish Corporation Law (*Ley de Sociedades de Capital*), as part of the Board of Directors' mandatory annual assessment of its functioning and that of its Committees.

The Committee considers that in general, in 2023 the meetings were held with an adequate frequency and duration for its proper functioning and for its counselling of the Board of Directors.