June 2023

CaixaBank

Pillar 3 Disclosures

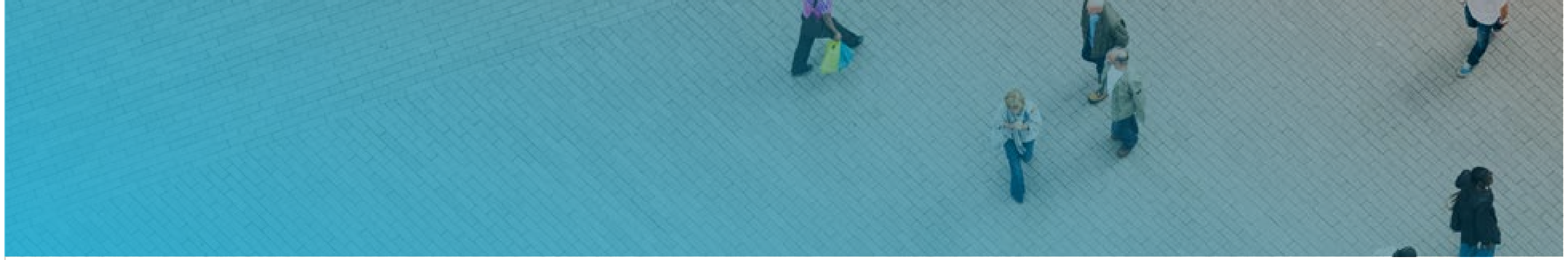
Half-yearly disclosure ESG Risks

CaixaBank Group

As at 30 June 2023

Pillar 3 Report is originally published and prepared in Spanish. This English version is a translation of the Spanish report for informational purpose only. In case of discrepancy, the original version in Spanish will prevail.

Interactive document



June 2023

The numbering of this document's sections matches the numbering of the sections in the annual document Pillar 3 Disclosures 2022.

3. **Governance, organisation and** risk management

3.4 ESG cross-cutting factor (Sustainability)

As presented in section 3.2.2 of Pillar 3 Disclosures of 31 December 2022, sustainability/ESG risk is considered a cross-cutting factor affecting several risks in the Entity's Corporate Risk Catalogue.

Treatment of ESG risks and management standards

ESG (environmental, social and governance) risks involve financial and/or reputational impacts from factors traditionally considered as non-financial. Of these, the potentially most material in the short, medium and long term are those related to the negative effects of climate change (physical risks) and the negative effects of the measures adopted to combat it (transitional risks).

There are transmission channels from ESG risks (especially climatic) to traditional risks (credit, operational, market, liquidity, reputational and business return) that support their treatment as factors of traditional risks rather than as stand-alone or independent risks. This is also the approach mainly adopted by the financial institutions and regulators/supervisors alike.

ESG Risks

Results below market expectations

Climate risks

Transition risks

- Regulation
- Technological development
- Market variations

Physical risks

Acute
- Extreme weather events
- Floods
- Fires

Chronic
- Temperatures increase
- Changes in rainfall
- Increase in sea level

Physical risks

Environmental degradation
- Loss of biodiversity
- Contamination
- Deforestation

Social Risks

- Social policy changes
- Changes in market sentiment

Governance

- Inappropriate management E&S risks
- Non-compliance with governance framework

Transmission channels

Corporations
- Damage to property
- Loss of value of assets and new expenses and disruption of business

Individuals
- Reduction in purchasing power
- Damage to property

Macroeconomics
- Changes to prices
- Changes in productivity
- Labour market frictions

Financial Risks

Credit risks
- Customer defaults
- Depreciation of collateral

Market risks
- Depreciation of equities, fixed income, commodities, etc.

Operational risks
- Disruptions in distribution chains, closure of branches, business continuity, damage to physical assets, compliance and conduct

Reputational risks
- Deterioration of competitive capacity due to deterioration of confidence

Liquidity risk
- Increase in demand for liquidity, refinancing risk

Business/strategic risk
- Results below market expectations

Environmental, social, governance and economic effects

Economic and financial effects

2022-2024 Strategic Plan

One of CaixaBank's three strategic priorities within the framework of the 2022-2024 Strategic Plan for the Group **is to be a benchmark for sustainability in Europe**, by promoting the sustainable transition of companies and society, a positive social impact and financial inclusion, and a responsible culture.

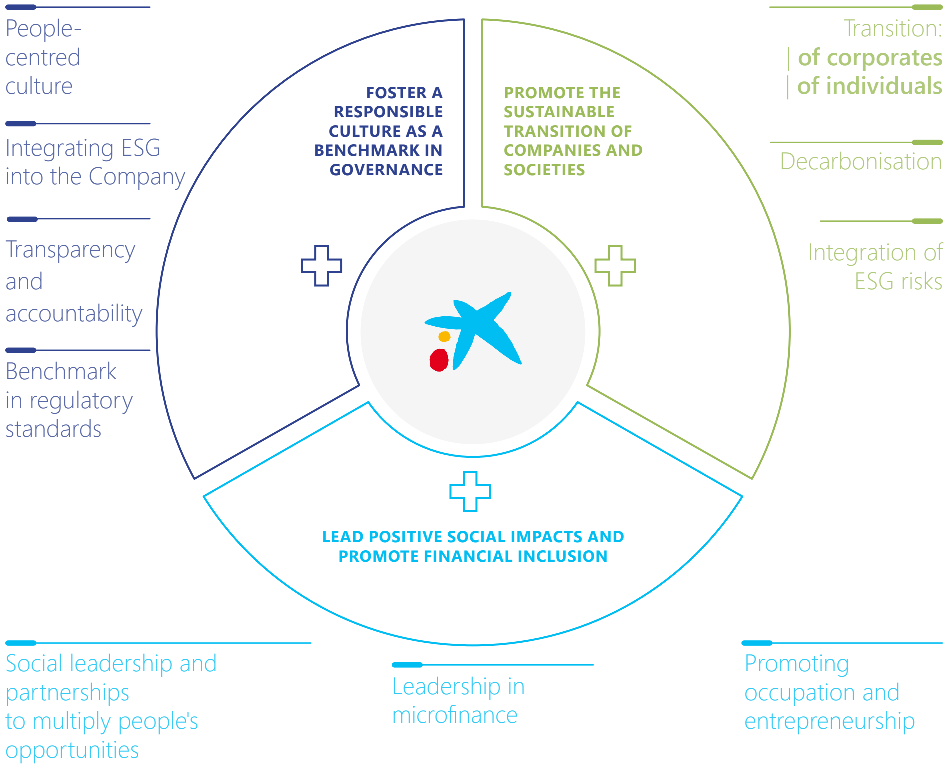
In 2021 CaixaBank worked on a **Sustainability Master Plan (Sustainable Banking Plan)** for the period 2022-2024. More than 30 bank departments and 200 professionals from different departments took part in preparing this plan, and it was approved by the Board of Directors on 15 December 2021. The Master Plan is part of the Bank's Strategic Plan, reflecting CaixaBank's aspiration to consolidate its position as a benchmark in sustainability. This ambition is consistent with the over century-old tradition of a firm social commitment and the work of the "la Caixa" Foundation, the Entity's leading shareholder.

CaixaBank is developing its sustainable ambition through active listening and dialogue, rigorous methodologies for measuring and managing data, and an ESG communication strategy for external awareness. To achieve the bank's commitment to society, the 2022-2024 Sustainable Banking Plan is based on three ambitions and eleven strategic lines:

- Promoting the sustainable transition of companies and society, offering sustainable solutions in financing and investment, with a focus on energy efficiency, mobility and sustainable housing; ESG advice with a commitment to decarbonise the Group's credit and investment portfolio. CaixaBank, as a founding member of the United Nations Net Zero Banking Alliance (NZBA) initiative, published in October 2022 its first decarbonisation targets by 2030 for the Oil & Gas and Electricity and, in July 2023, the coal phase-out of the Entity's lending portfolio.

- Leading the positive social impact and promoting financial inclusion, employment and entrepreneurship by means of microfinance solutions, social action and volunteering initiatives and measures aimed at facilitating accessibility and the commitment to the rural world. MicroBank, a Group company, is contributing to this aim.

- Promoting a responsible culture by being a benchmark in governance through best practices in culture, reporting and responsible marketing, accompanied by effective and transparent communication on ESG issues.



With the Sustainable Banking Plan as a guideline, we have set to achieve the following targets over the next three years:

COMMITMENTS OF THE SUSTAINABILITY MASTER PLAN 2022-2024

GLOBAL

€64 billion mobilised in **sustainable finance**[1].

Maintain **Category "A"** in the synthetic sustainability indicator[2].

TRANSFORMATION

413,300 beneficiaries of MicroBank, the CaixaBank Group's social bank[3].

ENVIRONMENTAL

Advance the decarbonisation of the portfolio to reach **zero net emissions by 2050.**

GOOD GOVERNANCE

42% of **women** in managerial and **leadership** positions[4].

[1] Sustainable finance mobilisation is the sum of the following items:
- Sustainable Retail financing, as the sum of the formalised amount of: green bonds (with "A "or" B "energy efficiency certificate), financing for renovation of homes, financing of hybrid/electric vehicles and microloans granted by MicroBank.
- Sustainable Corporate financing, as the sum of the formalised amount of: sustainable financing for customers in the Business, Developer and CIB (Corporate and Institutional Banking) segments.
- Amount of CaixaBank's proportional share of its customers' issuance and placement of sustainable bonds (green, social or mixed);
- Net increase in Assets under management (AuM) in CaixaBank Asset Management in products classified under Art. 8 and 9 of the SFDR. The change includes the market effect.
- Gross increase in Assets under management (AuM) in VidaCaixa, in products classified under Art. 8 and Art. 9 of the SFDR. The calculation considers gross contributions to Pension Funds, Voluntary Social Welfare Schemes and Unit Linked. In 2023 and 2024, it will also include contributions from dependency insurance.

[2] Synthetic ESG index created by CaixaBank based on a methodology developed by KPMG that provides aggregate information from the main ESG analysis institutions. The indicator objectively weights the results obtained by the Entity in the scores awarded by the main international ESG analysts (S&P Global-DJSI, Sustainalytics, MSCI and ISS ESG).

[3] Number of holders and co-holders of microloans granted by MicroBank in the 2022-2024 period.

4% of women in managerial positions from deputy managers of large branches and up (category of branches A and B).

3.4.1 Environmental risk

1. Business strategy and processes

Framed within the Sustainability Master Plan, CaixaBank has developed an Environmental and Climate Strategy that aims to contribute to the transition to a carbon neutral economy by financing and investing in sustainable projects, managing environmental and climate risk, and reducing the direct impact of its operations.

The deployment of the Environmental and Climate Strategy, incorporated into the 2022-2024 Sustainability Master Plan, in order to actively manage environmental risks and those associated with climate change and move towards zero net emissions.

Considering the complementarity of emissions reduction with economic growth, the transition to a carbon-neutral economy not only involves risks for companies, but also business opportunities. To contribute to its materialisation, it is necessary to continue offering viable solutions that meet the expectations and needs of our customers and stakeholders. As part of these solutions, CaixaBank has been actively involved in financing renewable energy, infrastructure and sustainable agriculture projects for years, among other initiatives. Socially responsible investment is also promoted through the asset manager and pension plan manager (For further information, see section "Sustainable Business" of CaixaBank's 2022 Consolidated Management Report).

Since 2018, CaixaBank is currently operationally carbon neutral, and within the framework of the commitment assumed under the NZBA, it is working to ensure that its financing portfolio is also net greenhouse gas neutral by 2050.

The scope of climate change requires public-private collaboration and a multisectoral approach. CaixaBank regularly participates in working groups and associations dedicated to advancing environmental issues, including the *United Nations Environment Programme Finance Initiative* (UNEP FI[1]) and the Spanish Group for Green Growth.

In addition, CaixaBank in the Climate Change Statement, approved by its Board of Directors in January 2022, reflects the Entity's environmental and climate commitment through the following lines of action:

- Support viable projects that are compatible with a carbon-neutral economy and climate change solutions.
- Manage climate change risks and move towards emission neutrality in the lending and investment portfolio.
- Minimise and offset the operational carbon footprint.
- Promote dialogue on sustainable transition and collaborate with other organisations to move forward together.
- Report progress in a transparent manner.

Climate change also opens business opportunities in the mobilisation of capital towards investments that pursue sustainable and inclusive growth. Thus, the integration of ESG (Environmental, Social and Corporate Governance) criteria into our activity, together with traditional financial and risk criteria, enables us to offer our customers long-term financing, investment and savings products that help prevent and mitigate climate change and promote the transition towards a carbon-neutral economy and social development, all in line with our sustainable banking model.

CaixaBank has a Financing Framework linked to the Sustainable Development Goals (CaixaBank *Sustainable Development Goals* (SDGs) Funding Framework), under which it issues financial instruments, such as bonds, that finance the bank's green, social or sustainable financing activity. To encourage the origination of green/social/sustainable transactions by the Bank's business teams, the Entity has an internal incentive mechanism in place to promote sustainable financing. The application of this incentive for green assets eligible for the Framework came into force in the financial year 2022 and its extension to social assets has come into force in the financial year 2023. As a result, the business areas are more aware of the positive impacts that can be generated through financing activities, including the financing of activities that contribute to mitigating and adapting to climate change[2]. Since 2020, CaixaBank has issued 6 green bonds under the Financing Framework linked to the SDGs for a cumulative amount of over €5,500 million.

[1] *United Nations Environment Programme Finance Initiative.*

[2] *For further details, see section "Mobilisation of sustainable finances" under section Sustainable Business of the Management Report of December 2022.*

Targets, goals and limits

Of the ESG targets, goals and limits of the Sustainable Banking Plan for 2024, the most relevant for the environmental strategy are shown in the following table:

		2020	2021	2022	2023	2024	2030
Global operational emissions (t CO_2e)[1]		→	24,886 →	-12.9% →	-15.8%	-19.3%	
Renewable energy consumption		→	98.78% →	100% →	100%	100%	
Operating emissions offset		→	100%[4] →	100% →	100%	100%	
Paper consumption (kg)		→	1,246,224 →	-8% →	-12%	-15%	
Energy consumption (kWh)		→	301,271,514 →	-6% →	-8%	-10%	
Mobilising sustainable finance (thousand €M)			16.5	19.2	40.2	64	
Decarbonisation of the financed portfolio	Oil & Gas (Mt CO_2e)	26.9 →					-23%
	Electricity (kg CO_2e/MWh)	136 →					-30%
	Coal (exposure in €M)	→					Phase-out at 2030

Details of the presented figures are shown in the Metrics and targets chapter.

From... to... →
Cumulative target

[1] *For the calculation of the scope 1 target, CaixaBank's cooling gas emissions data will take the average for the period 2019-2021 as the baseline year. For the calculation of the scope 3 target, CaixaBank's corporate travel issuance data will take as the baseline year 2019 (prior to COVID-19 restrictions). The target is framed within the same perimeter reported in 2021. Scope 3 does not include category 15, Investments. The Scope 3 perimeter calculated in 2021 consisted in the sum of historical Scope 3 perimeters of each entity (CaixaBank and Bankia). To calculate the achievement of the 2022, 2023 and 2024 targets, a new unified perimeter pending publication will be used; therefore, the achievement of these targets cannot be assessed using the 2021 emissions data published in this report as a reference.*

With regard to the target of net zero emissions, in April 2021 CaixaBank adhered, as a founding member, to the Net Zero Banking Alliance promoted by the UNEP FI, by means of which it commits to achieving net zero emissions by 2050 and publishing intermediate decarbonisation targets by 2030, within the first 18 months of the adherence in the more material sectors and within 36 months in all priority sectors.

CaixaBank has prioritised in a first stage, the electric and oil and gas sectors; the most relevant, at a global level in terms of GHG emissions. The first decarbonisation targets for 2030 for these sectors were disclosed in October 2022. Subsequently, in July 2023, CaixaBank published the coal *phase-out* target.

Sector	Scope of emissions	Target	Scenario	Base year (2020)	Target (2030)	Target metric (2030)
Electric	1	Physical intensity	IEA Net Zero 2050	136 $kgCO_2e$/MWh	- 30%	95 $kgCO_2e$/MWh
Oil & Gas	1, 2, 3	Calculation of financed emissions	IEA Net Zero 2050	26.9 $MtCO_2e$	- 23%	20.7 $MtCO_2e$
Coal	-	Original	-	"*Phase-out* of thermal coal mining and power generation based on thermal coal as at 2030"		

For details on the design of the objectives for the Oil & Gas and Electricity sectors, see section “Financed footprint and decarbonisation targets” of “CaixaBank's 2021 - June 2022 Climate Report”. Details of the coal phase-out target will be disclosed within the framework of CaixaBank's next Climate Report.

Environmental Management Plan

CaixaBank's 2022-2024 Sustainable Banking Plan includes the 2022-2024 Environmental Management Plan, with eight lines of action that aim to reduce the impact of the CaixaBank Group's operating activity:

01 Governance in environmental management.

02 Climate Change: operational carbon footprint, renewable energy consumption and emissions compensation.

03 Environmentalisation of procurement and contracts.

04 Environmentalisation of the catalogue of non-financial products.

05 Commitment to the circular economy.

06 Sustainable Mobility Plan.

07 Promotion of efficiency.

08 Renewal of voluntary certifications and extension of scope.

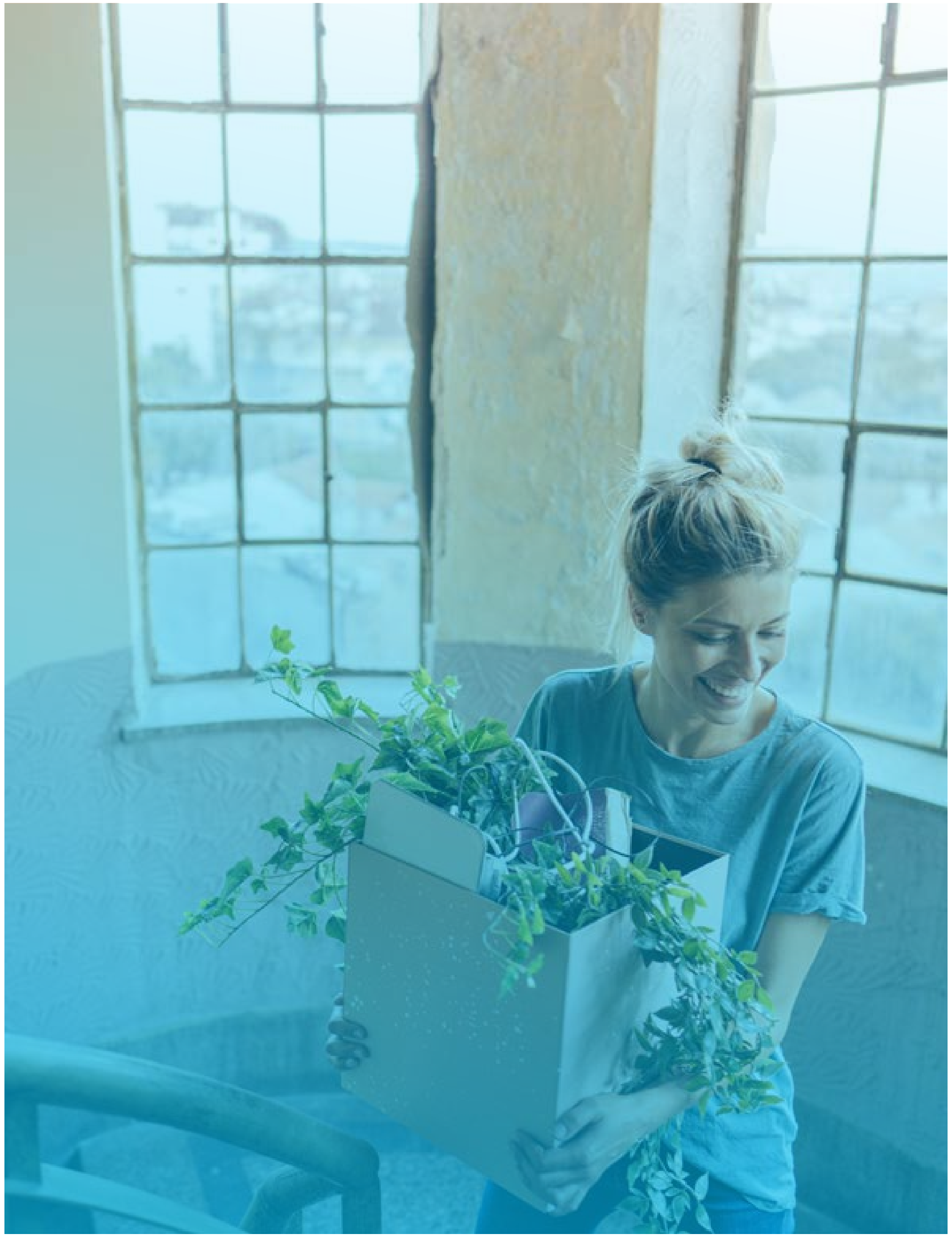
For further details, see section "Responsible investment" in section Sustainable Business of the Management Report of December 2022.

The 2022-2024 Environmental Management Plan sets quantitative targets for all the years of the plan, which will allow measuring the degree of success of its implementation:

Indicators	2022	2022	2023	2024
	objective	actual	objective	objective
Scope 1 (vs 2021)	-7%	-10%	-10%	-15%
Scope 2 (vs 2021)	-100%	-100%	-100%	-100%
Operational scope 3 (vs 2021)	-12%	-38%	-15%	-18%
Global CO2 emissions reduced (vs 2021)	-12.90%	-31.74%	-16%	-19%
Carbon Neutral. Scopes 1, 2 and 3 and operational CO2 emissions reduced 3 (vs 2021)	100%	100%	100%	100%
Renewable energy consumption	100%	100%	100%	100%
Reduction of A4 paper consumption (vs 2021)	-8%	-34.6%	-12%	-15%
Savings in energy consumption (vs 2021)	-6%	-14.1%	-8%	-10%
Environmental certifications in main buildings (vs 11 certifications 2021)	2	2	3	4

One of the milestones reached in 2022 is the certification through guarantees of renewable origin of all the energy consumed by the Group, so that the zero emissions target in Scope 2 has been reached.

For more information, see section “Environmental Management Plan” of CaixaBank's Consolidated Management Report of 2022.



2. Governance

Sustainability governance in general, including climate change, is one of CaixaBank's priorities. For this reason, the Board of Directors is responsible for the approval of the strategy and the Principles of Sustainability, as well as for monitoring their correct implementation. To this end, a sustainability governance system has been structured through the Governing Bodies (mainly through the Board of Directors, Appointments and Sustainability Committee, Risk Committee and Audit and Control Committee) and corporate bodies (Management Committee), complemented by other internal committees and areas of the Entity (Sustainability Committee and Sustainability Department).

GOVERNING BODIES

Appointments and Sustainability Committee

Supervises compliance with the Entity's environmental and social policies and rules

Risk Committee

Proposes the Group's risks policy to the Board, including ESG matters

BOTH ARE ON THE **BOARD OF DIRECTORS**

MANAGEMENT BODIES

Sustainability Executive

Approves the lines of action in the area of Sustainability

Sustainability Committee

Ensure successful implementation of the sustainability strategy and its promotion within the organisation

Sustainability Department

Coordinates the definition, updating and monitoring of the sustainability strategy; monitors its implementation; and proposes and updates the sustainability policies and principles.

In addition, the **Audit and Control Committee** has functions related to non-financial reporting and the effectiveness of internal control systems.

The **Global Risk Committee** manages, controls and supervises the risks that the Group may incur.

Furthermore, the Risk Committee is responsible, among other functions, for proposing the Group's risk policy to the Board of s Director and examining the Group's risk information and control processes. This Committee periodically reviews issues related to the management of sustainability and, in particular, climate-related risks.

The highest management body with responsibility for managing sustainability risk, including climate and environmental risk, is the Sustainability Committee, a representative body of the Management Committee, to which it reports directly. In addition, when applicable, it reports to the Appointments and Sustainability Committee, and in matters related to the sustainability risk policies to the Global Risk Committee, which submits them to the Risk Committee. Both the Appointments and Sustainability Committee and the Risk Committee are representative committees of the Board of Directors.

The Sustainability Committee reports to the Sustainability Director, who is a member of the Management Committee. Among other functions, this Committee is responsible for overseeing the Sustainability Master Plan and monitoring projects and initiatives to implement the Sustainability Master Plan, promoting the integration of sustainability criteria in business management, knowing and analysing the regulatory requirements in terms of sustainability, reviewing and approving the information to be disclosed regarding sustainability.

The Sustainability Department is responsible for coordinating the definition, updating and monitoring of the Group's sustainability strategy, including the implementation of these Principles. With this objective, and to coordinate and monitor the implementation of the Sustainability Master Plan, an internal weekly work group has been set up to monitor the Plan, in which the entire Sustainability Management is involved. Additionally, the Sustainability Committee reviews the degree of progress in implementing the Master Plan, including the first level KPIs, on a quarterly basis. The Appointments and Sustainability Committee is informed every six months of the progress and status of the Master Plan (in 2022, the first year of implementation of the Master Plan, the Appointments and Sustainability Committee and the Board of Directors were informed in the fourth quarter). Members of committees may request the establishment of new actions in the event that the objectives are not achieved or new areas of priority attention are identified.

Other committees and bodies seek to increase the positive impacts and avoid, mitigate or reduce the negative impacts of certain issues that cut across the Bank's entire range of activities. These include the Diversity Committee, the Transparency Committee and the Product Committee.

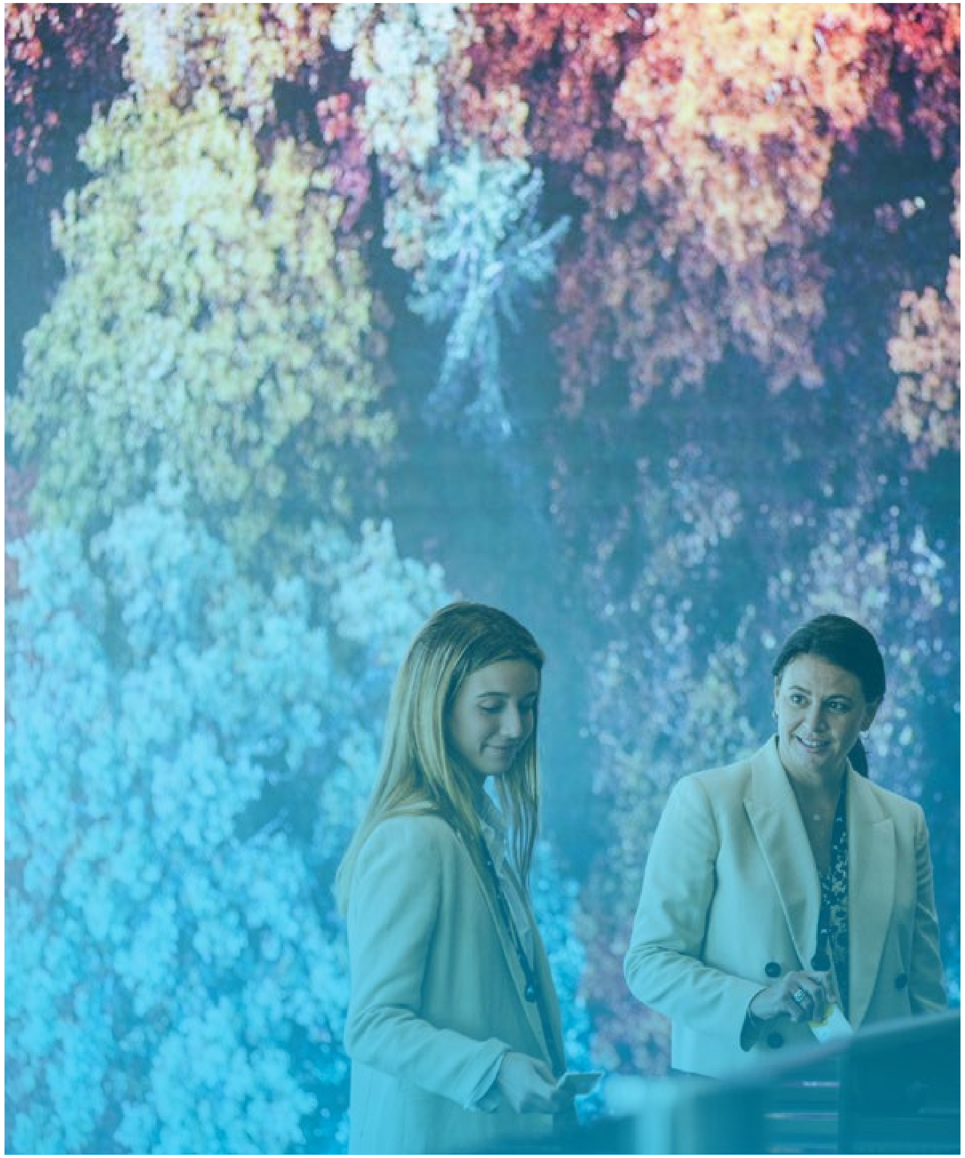
Within the Sustainability Department, Sustainability Risk Management is responsible for defining the principles of action in relation to managing ESG risks, as well as advising on their application criteria, validating these and transferring them to the corresponding analysis tools. To specifically enhance the oversight of climate risks, in January 2022 the Climate Risk Management was created within the Sustainability Office.

In addition to the Sustainability Management, there are specialised staff totally or partially engaged in managing sustainability risks in other departments of the Entity, including the Business, Risk, Non-Financial Risks and Audit departments.

In March 2022, the Board of Directors approved the Corporate Policy on Sustainability/ ESG Risk Management, which consolidates the previous Environmental Risk Management Policy and Corporate Policy on Relations with the Defence Sector and establishes the criteria for ESG analysis in the processes of customer admission and approval of the Entity's credit financing operations. This policy governs the ESG risk management, including climate risks, in admission processes and establishes general and sectoral exclusions linked to activities that may have a significant impact on human rights, the environment and the climate, in which CaixaBank will not assume credit risk. General exclusions apply to all customers (no new projects that have a negative impact on natural or cultural heritage, high-value biodiversity areas or areas susceptible of suffering water stress, or companies on which there is solid evidence that they use child or forced labour, have participated in violations of human rights or do not have health and safety policies in place to protect their workers are provided financing), while sectoral exclusions apply to certain activities in the defence, energy, mining, infrastructure and agriculture, fisheries, livestock and forestry sectors.

The pillars on which CaixaBank Group's ESG risk governance framework is based, which are established in the Corporate policy for managing sustainability/ESG risks, are as follows:

- Compliance with the principles set out in the Corporate policy on sustainability/ESG risk management by CaixaBank Group companies within their scope.
- CaixaBank's corporate supervision, as the Group's parent company.
- Alignment of strategies between Group companies, and alignment with best practices, supervisory expectations and current regulations.
- Maximum involvement of the Governing Bodies and management of Group companies.
- Internal control framework based on the three lines of defence model[1] that guarantees the strict segregation of functions and the existence of several layers of independent control.
- Incorporation into the current processes for onboarding customers, issuing loans and proprietary investments, as well as enforcing the governance that applies thereto in order to encourage greater and better integration of ESG in decision-making and minimise redundant processes, which could hamper commercial or investing activities.



[1] See section 3.1.2 Internal control framework.

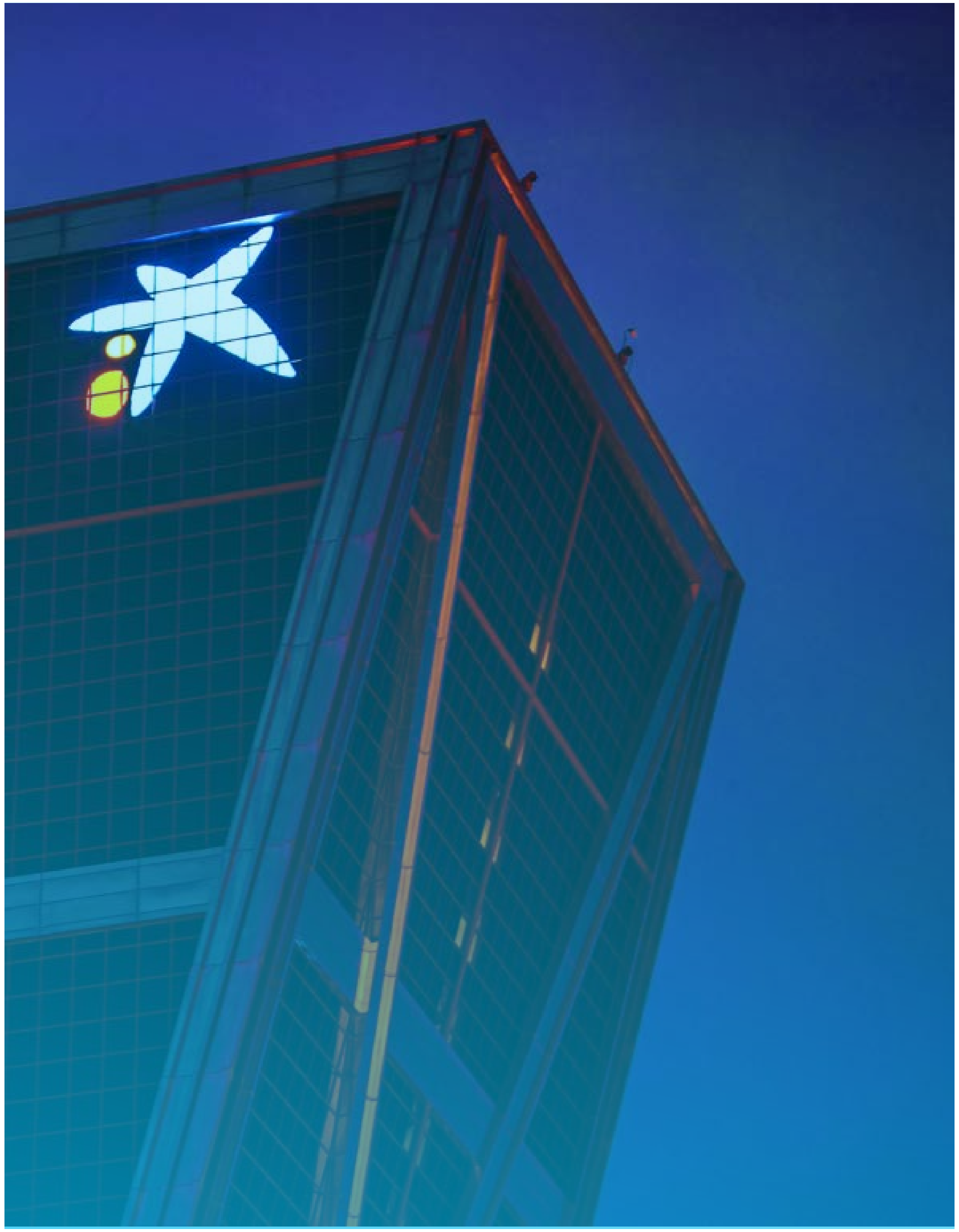
Remuneration

From January 2022, the variable remuneration of Executive Directors, similar to the model applicable to the other members of the Group's Identified Staff, consists of a risk-adjusted variable remuneration scheme based on performance measurement that is awarded annually on the basis of annual metrics with a long-term adjustment through the establishment of multi-year metrics.

Annual factors, with quantitative corporate (financial) and qualitative corporate (non-financial) criteria, which must be specified and clearly documented, are used for performance measurement and for the evaluation of individual results.

With the aim of aligning the variable remuneration with the sustainability and good corporate governance goals, in 2022 the weight of metrics linked to ESG factors, such as sustainability, quality and conduct and compliance, was increased in the annual and long-term variable remuneration schemes. This greater weight provided to the ESG factors affects Executive Directors, Senior Management and the Central Services staff, which have incorporated sustainability criteria that condition their variable remuneration. The sustainability metric chosen is the mobilisation of sustainable finance, understood as new production. This metric is one of the level one KPIs of the Entity's Sustainability Master Plan and Strategic Plan, set at €64,000 million in cumulative terms in the 2022-2024 period.

This goal aims to promote sustainable investment by individual and corporate customers, contributing to the energy transition towards more environmentally-friendly production and consumption models and a fairer and more inclusive society, while maintaining excellence in corporate governance. This way, the Entity is seeking to gradually lead the balance sheet towards exposures with a lower climate, environmental and social risk.



3. Risk management

Acute or chronic climate events, changes in regulation, technological development, changes in market preferences, etc. are transferred, both in terms of microeconomics and macroeconomics, through the value and performance of the assets, damage, purchasing power, productivity, prices or increase in legal and compliance costs, to the main prudential risks (credit, market, operational, reputational, liquidity risks, etc.). Therefore, ESG factors and risks are considered to materialise as impacts on these risks, mainly through the exposure of financial institutions to their counterparties (non-financial companies and individuals).

In general, sustainability risk (ESG) is currently included in the Corporate Risk Catalogue as a transversal factor in several of its risks (credit, reputational, legal and regulatory and other operational risks). Furthermore, the climate risk has been incorporated a level 2 of credit risk and environmental risk as a level 2 risk of reputational risk. In addition, climate risk has been incorporated to the risk of “Damage to tangible assets”, level 2 of “Other operational risks”, and references to this risk have been included in “Operational continuity risks”, also level 2 of “Other operational risks”, as well as in different level 2 risks of “Legal and regulatory risk”.

The materiality assessment of sustainability/ESG risks is the basis for a proportionate deployment of its ESG risk management processes and allows feeding into strategic risk processes and risk calibration.

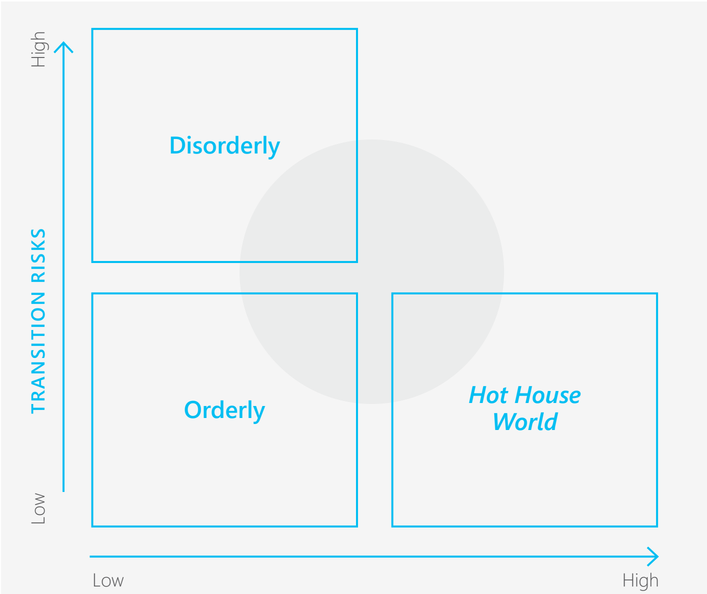
The financial materiality analysis (outside-in) focused on the qualitative assessment of the main impacts that ESG factors may have on the traditional risks, such as credit, liquidity, market, operational, reputational or business return, across the different portfolios.

Due to the special characteristics of climate risks, the climate **risk assessment** is based on various climate change scenarios and different time horizons.

The *Network for Greening the Financial System* (NGFS) has defined climate scenarios that provide a common starting point for analysing the risks of climate change in the financial system and in the economy.

In line with the expectations of supervision, CaixaBank has considered in its materiality assessment the following climate scenarios established by the NGFS:

- Orderly transition: An orderly transition scenario involves introducing climate policies early and with increasing depth and scope so that the 1.5°C target is achieved. Both the physical and the transition risks are relatively moderate.
- Disorderly transition: A disorderly transition scenario implies a significant increase in transition risks due to delays in climate policies or divergences between countries and sectors. It involves the adoption of measures from 2030 or at a relatively late stage with respect to the time frames of current climate and environmental regulations. This increases the risk of transition, but maintains the physical risk at a relatively low level when reaching the target of 1.5°C.
- "Hot House World" (high global warming level): This implies the application of very limited climate policies and only in some countries, areas or sectors, so that global efforts are insufficient to avoid global warming with significant incremental physical climate effects. In this scenario, the risk of transition is limited, but the physical risk is very high and with irreversible impacts.



Source: NGFS

CaixaBank

Under the orderly transition scenario, the main impacts of climate risk are concentrated in the long-term credit portfolios of legal entities as shown in the following table.

Climate risk analysis matrix - orderly transition scenario

"orderly transition" scenario		Transition risk			Physical risks		
		ST	MT	LT	ST	MT	LT
Credit risk	CIB segment	Medium-low risk	Average risk	Average risk	Low risk	Medium-low risk	Average risk
	Business segment	Medium-low risk	Medium-low risk	Average risk	Medium-low risk	Medium-low risk	Average risk
	Mortgage segment	Low risk	Medium-low risk	Average risk	Low risk	Low risk	Average risk
	Consumption segment	Low risk	Low risk	Low risk	Low risk	Low risk	Low risk
Other risks	Market	Low risk	Low risk	Low risk	Low risk	Low risk	Low risk
	Operational	Low risk	Medium-low risk	Low risk	Low risk	Low risk	Medium-low risk
	Reputational	Low risk	Medium-low risk	Medium-low risk	Low risk	Low risk	Low risk
	Liquidity	Low risk	Low risk	Low risk	Low risk	Low risk	Low risk
	Business/strategic	Medium-low risk	Medium-low risk	Medium-low risk	Low risk	Low risk	Low risk

Low risk · Medium-low risk · Average risk · Medium-high risk · High risk

ST. Short term (up to 4 years) MT. Medium term (4 to 10 years) LT. Long term (over 10 years)

In addition, the materiality of other (non-climatic) environmental risks from environmental degradation, such as air and water pollution, water stress, soil contamination, deforestation or loss of biodiversity, has been assessed. The main impacts of other environmental risks are concentrated in the medium and long term in the legal entities portfolio, together with operational, reputational and business return risks[1].

Environmental risk management

The lending portfolio is managed with the intention of aligning its indirect impact on climate change with the Bank's risk appetite and its commitment to sustainability goals. Since 2018, therefore, it has measured annually its lending exposure to economic activities considered to be linked to high CO2 emissions. The main metric is based on the definition suggested by the TCFD to facilitate comparability and includes exposure to assets linked to the energy and utilities sectors, excluding water and renewables ("*Carbon Related Assets*", as defined in the implementation of the TCFD recommendations). In 2018, 2019 and 2020, such activities accounted for around 2% of the total financial instruments portfolio. After the incorporation of the assets from Bankia's post-merger portfolio, exposure to CO2 intensive sectors remains at around 2% of the total portfolio since 2021.

In addition, taking as a reference the guidelines defined by PCAF[2] in its accounting and reporting standard (The global GHG accounting & reporting standard for the financial industry), CaixaBank has calculated the emissions financed (scope 3, category 15 as defined by the GHG Protocol) at 31 December 2021 for its loan portfolio[3].

[1] *For more details on the assessment of the materiality of climate risks, see section "Assessment of the materiality of sustainability risks (ESG)" of CaixaBank's 2021 - June 2022 Climate Report*

[2] *Partnership for Carbon Accounting Financials.*

[3] *See section "Environment and Climate" of CaixaBank's January - June 2023 Interim Consolidated Management Report.*

Emissions from the financing portfolio

Outlook by type of asset	Original		Absolute emissions		Economic intensity
	Total exposure (€M)	*% of calculated amount*	*S1+2 (ktCo2e)*	*S3 (ktCo2e)*	*Emission intensity S1+2 (tCO2e/€M)*
CRE	6,868	84.7%	332	-	57
Mortgages	120,906	99.9%	2,805	-	23
Business Financing	126,611	79.0%	10,947	29,728	109
Vehicles	5,208	95.2%	1,374	-	277
RV	1,267	81.9%	7	26	7
FI	856	43.7%	88	130	234
Total	261,716		15,553	29,884	

Outlook by type of asset	Original		Absolute emissions		Economic intensity
	Total exposure (€M)	*% of calculated amount*	*S1+2 (ktCo2e)*	*S3 (ktCo2e)*	*Emission intensity S1+2 (tCO2e/€M)*
O&G	6,219	79.8%	1,202	8,789	242
Energy	13,860	93.9%	1,920	5,093	147
Transport	14,890	83.3%	1,891	4,385	152
Real Estate	18,341	73.2%	685	1,424	51
Cement	293	77.8%	562	49	2,464
Iron and Steel	2,217	91.7%	459	790	226
Agriculture (including farming)	3,705	**69.8%**	**1,070**	522	414
Aluminium	**419**	85.9%	**72**	**192**	201
Coal	**0.24**	17.0%	**0.09**	**0.01**	2,092
Other non-intensive sectors	**66,666**	76.6%	**3,086**	**8,484**	60
Total	126,611		10,947	29,728	

Considerations

- The **calculation has been performed under an operational control approach** following the methodology developed by PCAF and described in "*The Global GHG Accounting and Reporting Standard for the Financial Industry (Part A).Second Edition*".
- **Information on issues and financial data** of the companies that make up CaixaBank's portfolio corresponds to the **end of the financial year 2021.**
- **Exclusions:** Funded issues have not been calculated for assets with insufficient data, and exposure to credit institutions and sovereign risk are not part of the perimeter (includes €19,160M of Sareb bonds).
- **Business financing** (non-financial corporations): Includes loans for general corporate purposes (includes SMEs) and project finance.
- The **company value calculation** for the **Corporate Financing and Fixed Income categories** is the sum of equity and debt, (book value) for both listed and unlisted companies.
- **Scope 3 was calculated** for all sectors comprising CaixaBank's portfolio. In view of the high risk of double counting of emissions for calculating Scope 3, only the intensity of emissions per million euros is reported for Scope 1+2.

GHG emissions of the financing portfolio for 2021 **have been verified by the external auditor (PwC)[1].**

[1] Limited assurance performed in accordance with the International Standard on Assurance Engagements 3410 (NIEA 3410)

See section "Environment and Climate" of CaixaBank's January - June 2022 Interim Consolidated Management Report

Furthermore, in accordance with Regulation (EU) 2020/852 of the European Parliament and Council ("Taxonomy Regulation") and Delegated Regulation (EU) 2021/2139 of the Commission, of 4 June 2021, which completes Regulation (EU) 2020/852, CaixaBank prepares ratios that ensure transparency in environmentally sustainable economic activities, currently limited to the objectives of i) mitigating climate change (avoiding or reducing GHG emissions) and ii) adapting to the vulnerability posed by the effects of climate change. The data as at 31 December 2022 have been prepared based on the best effort to adhere to the applicable regulations and will evolve in the future as further information becomes available from counterparties and new regulatory developments.

CaixaBank is deploying climate risk management and analysis in accordance with best market practices, the regulatory framework, the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the European Commission's Non-financial reporting Directive (NFRD). Work is also being carried out to align the Entity's practices with the European Central Bank's Guideline on climate-related and environmental risks.

CaixaBank has been a signatory to the Equator Principles since 2007, a reference framework for financial institutions to identify, assess and manage environmental and social risks in project finance.

Climate stress test and scenarios

CaixaBank also conducts qualitative and quantitative scenario analyses for climate risks.

For transition risk, the qualitative analysis focuses on identifying the segments potentially most affected by the transition risk in sectors with portfolio material risks. The quantitative analysis exercises conducted to date are being used as the basis for the recurrent deployment of the Entity's climate risk analysis, which is currently underway.

With regard to the assessment of physical risks derived from climate change, the initial focus of analysis is, due to its relevance, the mortgage portfolio in Spain, due to its volume. To this end, a qualitative analysis has been carried out, which identifies exposure by geographical risk areas under various climate scenarios for the main physical risks affecting the portfolio (rise in sea level, floods and fires resulting from the increase in temperature). The analysis concludes that the exposure of the Entity's portfolio to these three risks is limited and is supplemented with the quantitative framework presented in the following section.

In addition, CaixaBank participated in the climate stress test conducted by the ECB in the first half of 2022. The exercise is a key step forward for managing climate risk and as a basis for quantifying it. This climate stress exercise is aligned with the ECB's Climate and Environmental Risk Guide and, in turn, constitutes a key tool for managing climate risk.

At the same time, methodologies and scenarios are being developed for other risks impacted by climate risks, such as operational and reputational risks.

CaixaBank has developed a framework for measuring both physical and transitional climate risks and has started to integrate them into its monitoring of the lending portfolio in 2022. This framework will serve as a basis for future developments, such as the quantification of the economic capital requirements related to these risks.

The measurement framework covers a wide range of physical risks, including forest fires, river and coastal flooding, droughts and heat waves. It also takes into account the impact of the probability of these events on the value of mortgage guarantees and on the economic activity of customers. It also addresses the transitional risk in the credit quality of companies, considering the carbon emissions, prices, decarbonisation pathways and investments required for the transition, as well as the impact of an increase of production costs on the turnover and margins. Lastly, the framework allows quantifying the impact of the transition on mortgage guarantees, assuming that less energy-efficient properties will be less attractive in the future.

The risks associated with climate change are intrinsically uncertain. These will depend, among other factors, on the policies adopted at the global level. They are also noted for a long-term time horizon. In addition, its modelling cannot be based solely on historical experience and, therefore, will be based on prospective tools. In this context, the measurement framework has been built to analyse diverse scenarios and long-time horizons.

Data source employed in the measurement

CaixaBank is currently using various data sources to measure the risks associated with the climate and environment:

- Customer information
  - Internal at counterparty level. Customer information is compiled in the admission process, by means of a questionnaire that mainly covers the carbon footprint, ESG information relating to sectoral and general exclusions, climate transition plans, impact assessments and associated mitigation plans.
  - Internal, corresponding to physical assets, mainly: 1) project finance, asset finance and corporate projects, where environmental due diligence is conducted to assess the project's environmental impact; and 2) the new mortgage business, where energy efficiency certificates (EPCs) are obtained.
  - Public: reports published by customers and information available on any environmental lawsuits are studied.
- External supplier data:
  - ESG rating agencies.
  - Provided by public bodies/research institutes, such as UNEP FI (United Nations Environment Programme Finance Initiative), IPCC (Intergovernmental Panel on Climate Change), IEA (International Energy Agency), PIK (Potsdam Institute for Climate Impact Research) and the INE (National Statistics Institute).

CaixaBank has identified data availability as one of the main working points to strengthen sustainability risk analyses. As part of the Sustainability Master Plan, a comprehensive project involving a sustainability data model is being developed. It is a cross-cutting project that focuses on the needs of sustainability data at a corporate level. The functional requirements are currently in development, with the aim of achieving a strategic environment for generating reports and managing data reinforced by the system.

In addition to the system's improvements achieved within the scope of the data model, other initiatives have been carried out to obtain massive data from databases/external suppliers, such as obtaining energy efficiency certificates (EPCs) from the stock of properties in the real estate portfolio, including the use of proxies in cases where EPCs do not exist or are not available.

3.4.2 Social risk

1. Business strategy and processes

In line with the 2022-2024 Strategic Plan and the Sustainable Banking Plan and in addition to that presented in the previous section, CaixaBank works towards maintaining its leadership in positive social impact through its microfinance and financial inclusion activities, promoting a responsible culture focused on people and best practices in good governance, in order to continue to be a benchmark in European banking. The Entity also channels and promotes social initiatives through its branches, thanks to the CaixaBank volunteer network, close collaboration with the "la Caixa" Banking Foundation, the Dualiza Foundation, MicroBank and other social initiatives.

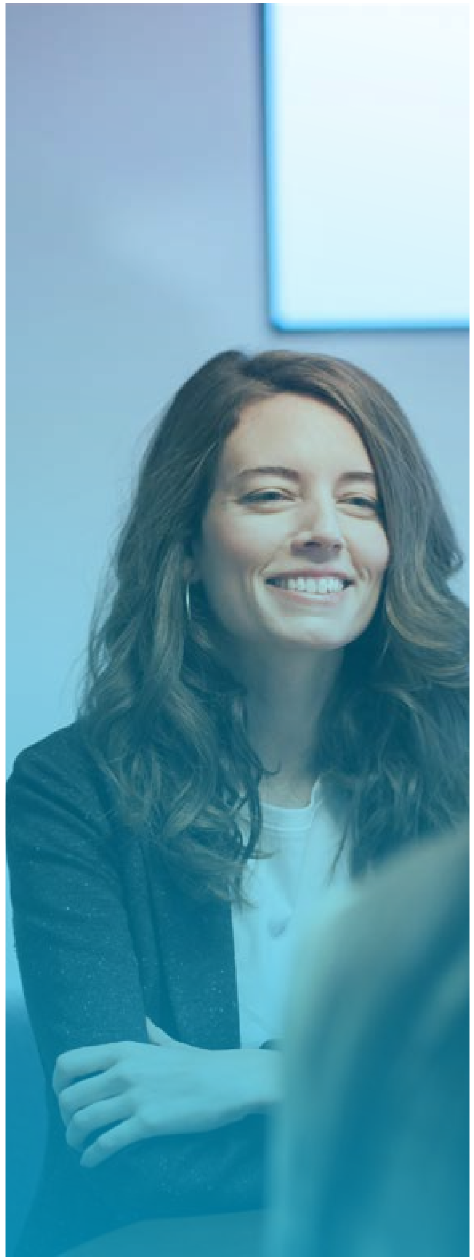
In order to reduce and mitigate the impact of climate change and reduce exposure to social risks, CaixaBank has adhered to multiple initiatives that evidence its commitment. For more details about CaixaBank Group's ESG alliances and affiliations, see CaixaBank Group's 2022 Management Report (page 19 – 21).

Through the issuance of social bonds, for a total of EUR 5,000 million in 5 social bonds issued since 2019, the Entity contributes to the development of society by fighting poverty and promoting employment creation in the most disadvantaged areas.

Furthermore, to ensure a successful 2022-2024 Sustainable Banking Plan, CaixaBank is carrying out various relationship-building initiatives with its different stakeholders aimed at contributing to the management of environmental, social and governance risks:

Customers

- Social Value Project, Inclusive Finance, MicroBank, Convenience banking, Financial culture, Employment and entrepreneurship, Social projects, Social bonds
- Statement of Principal Adverse Impacts (PAIs) of investment decisions on sustainability factors, in anticipation of the regulatory requirement in 2023.
- Suppliers. Incorporation, as of 2020, of new certifications and sustainability criteria in the supplier registration and approval process.



Investors and shareholders

- Participation in ESG meetings with institutional investors, to share priorities and understand their expectations, and with eminent sustainability analysts.
- ESG commitments undertaken by VidaCaixa and CaixaBank Asset Management in UNEP FI initiatives in the field of human rights.
- Specific meetings to promote and accompany our minority shareholders and customers in increasing their knowledge of sustainable finance.

Society, industry players, NGOs and other entities

- Participation in events as speakers to raise awareness on the importance of sustainability and the Sustainability Development Goals (SDGs).
- Participation in work groups of the United Nations Environment Programme - Finance Initiative (UNEP FI) to advance in measuring the impact; financial inclusion and other international programmes.
- Regular meetings with other organisations and participation in think tanks and initiatives such as CECA, WSBI, SpaiNAB, Forética and Seres to share knowledge about sustainability and advance its implementation.
- Working with the "la Caixa" Banking Foundation and the SDG Observatory to promote the implementation of the SDGs among Spanish companies, by continuously monitoring their fulfilment.
- Publications and dissemination activities: publication of Sustainability, socio-economic impact and contribution to the United Nations SDGs and the CaixaBank Chair of Sustainability and Social Impact with IESE Business School.
- Active dialogue with non-governmental organisations and other civil society entities.

Employees

Training in sustainability for CaixaBank Group's staff and regular publication of content on the intranet or corporate website.

To see the main policies on ethics and integrity approved by the Board of Directors, refer to section "Ethical and Responsible Conduct" of the Consolidated Management Report of December 2022.

Of the ESG targets, goals and limits of the Sustainable Banking Plan for 2024, the most relevant for the environmental strategy include reaching 413,300 beneficiaries of MicroBank -CaixaBank Group's social bank-, and 42% of women in managerial positions.

In addition, as of 2019, CaixaBank is a signatory of the Principles for Responsible Banking, launched by the United Nations Environment Programme Finance Initiative (UNEP FI). These Principles aim to align the financial sector's activity with the achievement of the United Nations Sustainable Development Goals and the Paris Agreements on climate change[1].

2. Governance

The governance of social risks is part of the common governance established for sustainability; see the section on governance in relation to environmental risk.

[1]*See the report Responsible Banking Principles in the section "UNEPFI" of the Consolidated Management Report of December 2022*

3. Risk management

Social risks ("S") measure potential indirect adverse impacts on society arising from the provision of services to or investment in legal entities that do not respect human rights or the health and safety of their employees. In this regard, the assessment conducted on the financial materiality of social risks has determined that there is a medium-low impact on the business segment for credit risk and a low impact for operational risk in all time horizons.

"orderly transition" scenario		Social risks ST	Social risks MT	Social risks LT
Credit risk	CIB segment	Medium-low risk	Medium-low risk	Medium-low risk
	Business segment	Medium-low risk	Medium-low risk	Medium-low risk
	Mortgage segment	Low risk	Low risk	Low risk
	Consumption segment	N/A	N/A	N/A
Other operational	Market	Low risk	Low risk	Low risk
	Operational	Low risk	Low risk	Low risk
	Reputational	Medium-low risk	Medium-low risk	Medium-low risk
	Liquidity	Low risk	Low risk	Low risk
	Business/strategic	Low risk	Low risk	Low risk

Low risk Medium-low risk Average risk Medium-high risk High risk

ST. Short term (up to 4 years) MT. Medium term (4 to 10 years) LT. Long term (over 10 years)

The control and management of social risks in relation to customers and proprietary investment considers the following main lines of action:

- Integrating social risks into decision-making and avoiding financing or investing in companies or projects related to serious human and labour rights violations.
- Striving to understand the impact of its activity on human rights and thus prevent and reduce any potential adverse impacts as much as possible.
- Managing environmental, social and governance risks and incorporating their analysis into the provision of products and services to customers, proprietary investment and equity portfolio management.
- Acting in accordance with the assumed public commitments, such as the "Human Rights Principles" and "Responsible Banking Principles", as well as any other initiative and commitment considered within the scope of ESG, always under the responsibility of appropriately fulfilling its requirements.

With the aim of reducing CaixaBank's exposure to the social risks of the counterparties, they are assessed in the admission processes using the criteria established in the Corporate Sustainability/ESG Risk Management Policy, the preparation of which has considered internationally recognised standards and initiatives, including:

- Universal Declaration of Human Rights
- Conventions of the International Labour Organization (ILO)
- Equator Principles
- United Nations Guiding Principles on Business and Human Rights
- National Action Plans on Business and Human Rights
- OECD Guidelines for Multinational Enterprises
- UN International Bill of Human Rights

For more information, see section "Ethical and Responsible Conduct" of CaixaBank's Consolidated Management Report of 2022.

3.4.3 Governance risk:

1. Governance

CaixaBank's principles of action with regard to sustainability pursue the objective, among others, of prudently and globally managing all risks (financial and non-financial) according to the Group's General Risk Management Principles and Risk Appetite Framework, and in terms of sustainability, according to the Corporate Policy on Sustainability/ESG Risk Management, which governs the management of these risks within the relationship between the Entity and its customers. Specifically, according to the governance of environmental risks, as described in section 3.4.1. Furthermore, it also seeks to rely on appropriate supervisory mechanisms for the risks (financial and non-financial) set out in the Corporate Risk Map.

In addition, it establishes the necessary measures to prevent and avoid, as far as possible, that CaixaBank products and services be used for any illegal activity (e.g. financing of terrorism, money laundering or financial crimes) and to revise them regularly, while actively collaborating with regulators and security forces and reporting all suspicious activities detected. To that end, a responsible conduct is encouraged among those part of CaixaBank Group, who must respect and apply the Corporate Anti-Corruption Policy; the Corporate Policy for the Prevention of Money Laundering and the Financing of Terrorism and managing Sanctions and International Countermeasures; the Corporate Policy for Criminal Compliance; the Corporate Conflict of Interest Policy; and the rest of CaixaBank Group's codes of conduct and standards.

CaixaBank also develops an ethical and transparent culture among its professionals. The integrity of our professionals and actions based on the highest ethics and transparency standards with our shareholders, customers, investors and society as a whole, govern the way we relate to each other and to the environment in which we operate.

Respecting Human Rights is a key part of CaixaBank's corporate values and is the basis of our modus operandi. We also have our own Code of Ethics and Principles of Action to govern our behavioural model in all our activities and operations.

2. Risk management

The CaixaBank Code of Ethics and Principles of Action is the highest standard that lends sense to the rest of standards and guides the actions of the people comprising CaixaBank: employees, managers and members of the Governing Bodies.

This Code has an influence on the Entity's internal professional relationships and in its external relationships with customers, suppliers and wider society. Through it, we align ourselves with the highest national and international standards, and we totally reject any type of unethical practices and any practices that are contrary to the general principles of action set out in the Code.

Based on the principles and values of this Code, CaixaBank has put in place a series of policies, standards and principles applicable to all the companies comprising CaixaBank Group. These include CaixaBank's Human Rights Principles

- Corporate Anti-corruption Policy
- Tax Risk Control and Management Policy
- Principles of action in relation to the privacy and rights of CaixaBank customers.

For more information about policies, see section "Ethical and Responsible Conduct" of CaixaBank's Consolidated Management Report of 2022.

In addition to the principles of ethics and integrity, governance risks are assessed in the admission processes by applying the general criteria established in the Corporate Sustainability/ESG Risk Management Policy, approved by the Board of Directors in March 2022. In this context, the alignment of CaixaBank customers with the principles, restrictions and requirements established in this policy is analysed, including aspects such as a) having environmental, social or human rights policies in place; b) that there are no disputes or sanctions arising from malpractice; c) transparency in market disclosures, which includes both the publication of policies on their corporate websites and the publication of Non-Financial Information (emission levels, issues relating to the use of resources, climate change, health and safety, circular economy, etc.), and whether they follow international standards, such as the GRI, TCFD, and others; d) their inclusion in sustainability indices, as well as in the rating of external ESG providers (MSCI, Sustainalytics, and so on); and e) that they hold the ISO14001 (environmental management), ISO 45001 (occupational health and safety), ISO 14064 (GHG) certifications.

As a first sept in the integration of this type of risks into the Entity's risk management mechanism, an assessment has been conducted on the financial materiality of governance risks, which arise from a negative impact due to weaknesses of commercial counterparties or companies in which an investment has been carried out, such as transparency, conduct in the markets, anti-corruption policies, compliance with tax obligations or other conducts considered ethical by relevant stakeholders. According to the conducted assessment, there is a medium-low impact on the business segment for credit risk and low impact on operational risk in the short, medium and long term.

In addition to the principles of ethics and integrity, governance risks are assessed in the admission processes by applying the general criteria established in the Corporate Sustainability/ESG Risk Management Policy.

Governance analysis matrix

		Governance risks.		
		ST	MT	LT
Credit risk	CIB segment	Medium-low risk	Medium-low risk	Medium-low risk
	Business segment	Medium-low risk	Medium-low risk	Medium-low risk
	Mortgage segment	N/A	N/A	N/A
	Consumption segment	N/A	N/A	N/A
Other operational	Market	Low risk	Low risk	Low risk
	Operational	Low risk	Low risk	Low risk
	Reputational	Medium-low risk	Medium-low risk	Medium-low risk
	Liquidity	Low risk	Low risk	Low risk
	Business/strategic	Low risk	Low risk	Low risk

Low risk · Medium-low risk · Average risk · Medium-high risk · High risk

ST. Short term (up to 4 years) MT. Medium term (4 to 10 years) LT. Long term (over 10 years)

7. Credit risk

7.1.4 Quantitative information ESG Risk

Credit risk is the prudential risk that may be most impacted by climatic factors, mainly transition and physical factors, in the short, medium and long term:

1. Transition Risk: the macro sectors potentially most impacted in the medium to long term are agriculture, energy/services, oil and gas, transport, materials and mining and metallurgy. Among the sectors with the highest risk, CaixaBank has identified the coal (energy sub-sector) and oil and gas sectors as the highest priority sectors in terms of transition risk. Of the sectors with an average impact, real estate stands out. In the short term, the impact is considered minor. This top-down sectoral vision is complemented by a bottom-up vision based on:

   - The segments of activity within each macro sector (value chain).
   - The time frames of financing operations.
   - The characteristics and positions of the main customers, the impact of which can be very heterogeneous, e.g. depending on how they incorporate these risks in their strategic vision. More individualised analyses are already being applied in the risk acceptance processes to take these aspects into account.

2. Physical risk: Spain is one of the regions of Europe that will potentially be more affected by the physical risks of climate change. Of those analysed, meteorological events linked to fires and floods are the most relevant in the mortgage portfolio, and droughts, heat waves and floods are the most relevant in the business activity.

In the mortgage portfolio, based on the geographical location of the assets, the impact is not considered material in the short and medium term. This assessment is complemented by a more granular analysis for the potentially most affected areas as well as for the portfolio of legal entities (location of infrastructure and sector-specific characteristics such as energy/services, agriculture, oil and gas or mining).

Below is information regarding the exposures in non-financial companies operating in sectors that highly contribute to climate change. This includes the exposure credit quality, the corresponding impairments and provisions and the financed issuancesas at June 2023.

Table 7.50. Template 1: Banking book - Transition risk of climate change: Credit quality of exposures by sector, emissions and residual maturity

	Sector/subsector	Gross carrying amount (million EUR)				Accumulated impairment, negative changes accumulated in fair value due to credit risk and provisions (million EUR)			Financed GHG emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tonnes of CO₂ equivalent)		GHG emissions (column i): percentage of gross carrying value of the portfolio arising from specific company reports	<= 5 years	> 5 years <= 10 years	> 10 years <= 20 years	> 20 years	Weighted average maturity
			Of which, exposures to companies excluded from the EU Paris-aligned benchmarks indices[1]	Of which Stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
1	**Exposure to sectors that highly contribute to climate change[2]**	125,061	8,086	11,091	4,187	(2,793)	(370)	(2,056)	40,389,015.00	28,800,633.00	12.78%	83,573	21,293	17,218	2,977	5
2	A - Agriculture, forestry and fishing	3,183	8	402	216	(133)	(17)	(120)	1,369,002.00	282,844.00	— %	1,975	792	398	18	5
3	B - Mining and quarrying	621	62	13	29	(12)	0	(8)	1,462,027.00	1,054,349.00	2.13%	435	180	5	1	3
4	B.05 - Mining of coal and lignite	0	0	0	0	0	0	0	102.00	11.00	— %	0	0	0	0	2
5	B.06 - Extraction of crude petroleum and natural gas	73	61	0	13	0	0	0	929,551.00	840,482.00	0.03%	12	61	0	0	4
6	B.07 - Mining of metal ores	114	0	0	1	(1)	0	(1)	10,489.00	7,296.00	— %	72	42	0	0	3
7	B.08 - Other mining and quarrying	328	0	12	14	(11)	0	(7)	55,785.00	16,104.00	— %	246	76	5	1	3
8	B.09 - Mining support service activities	106	0	0	0	0	0	0	466,100.00	190,455.00	7.28%	106	0	0	0	2
9	C - Manufacturing	30,759	1,440	2,159	866	(570)	(60)	(396)	15,986,860.00	11,943,380.00	14.85%	25,810	4,240	610	98	3
10	C.10 - Manufacture of food products	5,502	0	655	134	(84)	(15)	(69)	2,715,419.00	2,386,212.00	8.92%	4,542	845	112	2	3
11	C.11 - Manufacture of beverages	1,504	0	104	47	(32)	(2)	(32)	182,793.00	135,432.00	— %	1,021	437	41	5	3
12	C.12 - Manufacture of tobacco products	4	0	0	0	0	0	0	965.00	446.00	— %	4	0	0	0	3
13	C.13 - Manufacture of textiles	408	0	87	37	(14)	(3)	(11)	132,475.00	102,474.00	— %	351	44	11	1	3
14	C.14 - Manufacture of wearing apparel	298	0	31	23	(9)	(1)	(8)	53,001.00	35,095.00	— %	270	22	6	0	2
15	C.15 - Manufacture of leather and related products	174	0	37	16	(9)	(1)	(9)	61,999.00	51,933.00	— %	152	17	4	0	3
16	C.16 - Manufacture of wood and of cork products, except furniture; manufacture of articles of straw and plaiting materials	553	0	44	26	(11)	(2)	(10)	219,394.00	114,056.00	— %	417	120	15	1	3
17	C.17 - Manufacture of pulp, paper and paperboard	1,211	0	81	3	(4)	(1)	(2)	330,823.00	142,472.00	— %	912	294	4	0	3
18	C.18 - Printing and service activities related to printing	316	0	51	28	(11)	(2)	(11)	63,520.00	41,959.00	— %	240	56	20	0	4
19	C.19 - Manufacture of coke oven products	1,387	1,136	30	0	(1)	0	0	3,362,604.00	2,983,220.00	35.05%	1,035	310	42	1	3
20	C.20 - Manufacture of chemicals and chemical products	3,116	171	104	46	(36)	(2)	(35)	584,371.00	348,622.00	0.00%	2,867	165	55	29	3
21	C.21 - Manufacture of pharmaceutical products	999	0	87	25	(15)	(3)	(13)	129,362.00	80,121.00	— %	671	285	43	0	4
22	C.22 - Manufacture of rubber products	818	0	87	25	(14)	(2)	(11)	266,924.00	210,345.00	— %	624	143	44	6	4

[1] In accordance with Article 12.1 (d) to (g) and Article 12.2 of the Climate Benchmark Standards Regulation.

[2] In accordance with Commission Delegated Regulation (EU) 2020/1818, supplementing Regulation (EU) 2016/1011 regarding minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks - Climate Benchmark Standards Regulation - Considering 6: Sectors listed in Sections A to H and section L of Annex I to Regulation (EC) 1893/2006.

	Sector/subsector	Gross carrying amount (million EUR)				Accumulated impairment, negative changes accumulated in fair value due to credit risk and provisions (million EUR)			Financed GHG emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tonnes of CO_2 equivalent)		GHG emissions (column i): percentage of gross carrying value of the portfolio arising from specific company reports	<= 5 years	> 5 years <= 10 years	> 10 years <= 20 years	> 20 years	Weighted average maturity
			Of which, exposures to companies excluded from the EU Paris-aligned benchmarks indices[1]	Of which Stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
23	C.23 - Manufacture of other non-metallic mineral products	1,679	0	106	60	(27)	(4)	(25)	1,911,926.00	400,901.00	— %	1,458	199	19	3	2
24	C.24 - Manufacture of basic metals	1,376	0	116	138	(50)	(4)	(50)	1,342,834.00	761,270.00	14.41%	1,285	84	5	2	2
25	C.25 - Manufacture of fabricated metal products, except machinery and equipment	1,631	0	189	81	(43)	(8)	(37)	666,656.00	539,486.00	0.05%	1,326	257	46	3	3
26	C.26 - Manufacture of computer, electronic and optical products.	551	0	24	6	(3)	(1)	(2)	74,425.00	58,472.00	— %	166	381	4	1	6
27	C.27 - Manufacture of electrical equipment	576	133	43	11	(7)	(1)	(6)	147,055.00	119,388.00	— %	398	161	4	13	3
28	C.28 - Manufacture of machinery and equipment n.e.c.	1,141	0	66	38	(21)	(1)	(21)	298,591.00	246,989.00	— %	954	176	10	1	3
29	C.29 - Manufacture of motor vehicles, trailers and semi-trailers	5,892	0	76	47	(26)	(2)	(20)	2,925,543.00	2,847,523.00	43.84%	5,761	93	10	27	2
30	C.30 - Manufacture of other transport equipment	569	0	55	5	(4)	(1)	(2)	227,081.00	157,174.00	31.38%	472	21	74	3	9
31	C.31 - Manufacture of furniture	334	0	29	20	(9)	(2)	(8)	107,638.00	59,565.00	— %	245	73	16	1	3
32	C.32 - Other manufacturing	500	0	29	19	(9)	(1)	(8)	77,385.00	45,686.00	— %	461	28	11	0	3
33	C.33 - Repair and installation of machinery and equipment	220	0	29	10	(5)	(1)	(5)	104,077.00	74,539.00	— %	179	27	13	0	3
34	D - Electricity, gas, steam and air conditioning supply	16,563	5,473	698	108	(122)	(22)	(59)	7,505,469.00	5,460,657.00	34.06%	8,516	2,251	5,709	87	8
35	D35.1 - Electric power generation, transmission and distribution	14,352	3,462	695	104	(119)	(22)	(57)	3,083,218.00	1,619,128.00	27.54%	6,766	1,998	5,502	86	8
36	D35.11 - Production of electricity	9,945	3,451	533	100	(68)	(12)	(54)	1,870,609.00	946,443.00	11.62%	3,566	1,180	5,138	61	10
37	D35.2 - Manufacture of gas; distribution of gaseous fuels through mains	2,193	2,011	0	3	(3)	0	(1)	4,396,866.00	3,838,395.00	69.05%	1,737	249	206	1	4
38	D35.3 - Steam and air conditioning supply	18	0	3	1	(1)	0	(1)	25,386.00	3,134.00	2.44%	13	4	1	0	4
39	E - Water supply; sewage, waste management and remediation activities	2,055	0	80	13	(19)	(3)	(6)	395,680.00	215,583.00	5.76%	1,338	439	272	6	5
40	F - Construction	11,940	5	997	771	(528)	(35)	(391)	1,812,772.00	1,468,633.00	10.25%	7,733	1,119	1,744	1,344	7
41	F.41 - Construction of buildings	5,130	1	580	445	(396)	(22)	(261)	649,383.00	528,275.00	0.01%	2,224	493	1,218	1,195	11
42	F.42 - Civil engineering	2,932	3	139	127	(41)	(2)	(40)	322,691.00	257,319.00	33.99%	2,220	323	340	48	5
43	F.43 - Specialised construction activities	3,879	1	278	199	(91)	(11)	(89)	840,698.00	683,039.00	8.16%	3,289	303	185	101	3
44	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	21,151	86	2,217	906	(567)	(58)	(465)	7,806,641.00	6,797,217.00	11.02%	17,673	2,217	1,086	174	3

[1] *In accordance with Article 12.1 (d) to (g) and Article 12.2 of the Climate Benchmark Standards Regulation.*

	Sector/subsector	Gross carrying amount (million EUR)				Accumulated impairment, negative changes accumulated in fair value due to credit risk and provisions (million EUR)			Financed GHG emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tonnes of CO2 equivalent)		GHG emissions (column i): percentage of gross carrying value of the portfolio arising from specific company reports	<= 5 years	> 5 years <= 10 years	> 10 years <= 20 years	> 20 years	Weighted average maturity
			Of which, exposures to companies excluded from the EU Paris-aligned benchmarks indices[1]	Of which Stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
45	H - Transport and storage	14,737	1,012	1,224	440	(357)	(101)	(318)	3,512,021.00	1,229,672.00	10.47%	9,930	2,781	1,560	467	5
46	H.49 - Land transport and transport via pipelines	6,016	1,012	313	98	(74)	(9)	(54)	972,910.00	408,995.00	13.78%	4,793	698	517	8	5
47	H.50 - Water transport	1,597	0	24	23	(18)	0	(18)	411,332.00	60,402.00	— %	734	240	237	387	7
48	H.51 - Air transport	1,054	0	71	50	(23)	(7)	(18)	1,583,307.00	370,566.00	47.46%	407	642	0	5	6
49	H.52 - Warehousing and support activities for transportation	5,679	0	807	266	(241)	(84)	(226)	529,037.00	378,559.00	0.52%	3,611	1,198	803	67	5
50	H.53 - Postal and courier activities	392	0	9	4	(2)	0	(2)	15,434.00	11,149.00	— %	385	4	3	0	3
51	I - Accommodation and food service activities	9,879	0	1,936	504	(243)	(45)	(154)	404,976.00	290,533.00	— %	4,150	3,588	2,001	140	7
52	L - Real estate activities	14,173	0	1,366	336	(241)	(30)	(140)	133,567.00	57,766.00	0.70%	6,013	3,686	3,833	641	7
53	**Exposure to sectors other than those that highly contribute to climate change***	25,664	340	1,832	1,089	(875)	(220)	(500)	1,561,841.00	1,083,306.00	10.61%	16,592	3,787	2,165	3,121	4
54	K - Financial and insurance activities	2,067	17	78	24	(55)	(3)	(9)	118,742.00	96,808.00	2.43%	1,606	259	187	16	3
55	Exposure to other sectors (M-U NACE codes)	23,597	323	1,754	1,065	(820)	(217)	(491)	1,443,099.00	986,498.00	11.32%	14,987	3,527	1,978	3,105	4
56	TOTAL	150,726	8,425	12,923	5,277	(3.667)	(590)	(2.556)	41,950,856.00	29,883,939.00	12.48%	100,166	25,079	19,382	6,098	5

[1] *In accordance with Article 12.1 (d) to (g) and Article 12.2 of the Climate Benchmark Standards Regulation.*

Following the EBA/ITS/2022/01 instructions, for counterparties with non-discriminating NACE (holding type), the assignment of counterparties to NACE is based on the nature of the counterparty's activity.

In table 7.51. Template 1: Banking book - Transition risk of climate change: Credit quality of exposures by sector, emissions and residual maturity shows:

1. Breakdown of exposures in loans and advances, debt securities and equity instruments to non-financial companies, excluding those held for trading, by sector of economic activity, where CaixaBank's sectoral exposure in sectors identified by the EBA as major contributors to climate change (NACE two digits, A-I and L) is EUR 125,061 million, which represents 83% of all non-financial companies. In the rest of the sectors, identified as less contaminating (NACE with two digits, K, J and M-U), the exposure is EUR 25,664 million, 17%.

2. Information about exposures excluded from the EU Paris-aligned benchmarks indices, as per articles 12.1 (section d-g) and 12.2 of the Commission Delegated Regulation (EU) of 2020/1818 of 17 July. On the one hand, counterparties with indications that they cause significant damage to any of the environmental goals defined in Taxonomy Regulation (EU) 2020/852 and, on the other, counterparties that meet the following thresholds have been identified:

   - **Companies that derive more than 1%** of their revenues from exploration, mining, extraction, distribution or refining of anthracite, hard coal and lignite

   - **Companies that derive more than 10%** of their revenues from the exploration, extraction, distribution or refining of oil fuels

   - **Companies that derive more than 50%** of their revenues from the exploration, extraction, manufacturing or distribution of gaseous fuels.

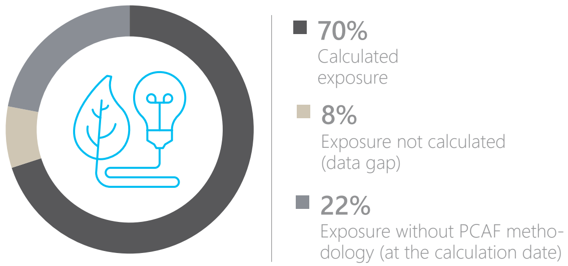
- **Companies that derive more than 50%** of their revenues from electricity generation with a GHG intensity of more than 100 g CO2 e/kWh

  These exposures have been identified on a best-effort basis, establishing a series of quantitative and qualitative criteria, including the NACE linked to excluded activities and consulting public information on counterparties. With respect to the previous half, the identification of exposures excluded from the EU-Paris benchmark indices has been improved, which explains a relatively lower exposure from 7% to 6% of the total exposures in loans and advances, debt securities and equity instruments to non-financial companies.

CaixaBank is measuring the emissions linked to its financing and investment (scope 3 of carbon footprint category 15, as established by The global GHG accounting & reporting standard for the financial industry). Measuring the financed emissions is aimed at ascertaining the overall impact in terms of the carbon footprint of its financing activity. This information enables CaixaBank to draw up decarbonisation pathways to achieve net zero emissions by 2050, in line with the commitment of the Net Zero Banking Alliance (NZBA), which CaixaBank signed as a founding member in April 2021.

The financed emissions are quantified according to "The global GHG accounting & reporting standard for the financial industry", standardised for emissions financed by PCAF (Partnership for Carbon Accounting Financials), to which CaixaBank adhered in July 2021.

The calculation for the loan portfolio of CaixaBank, S.A. at 31 December 2021 covers the following types of assets: mortgages, commercial real estate (CRE), corporate loans, Project Finance and loans for financing vehicles. This represents a coverage of 78% of the total loan portfolio.



In addition, the financed emissions linked to the non-trading book and the corporate fixed income have been calculated.

Always following a bottom-up approach: emissions associated with the mortgage portfolio have been calculated using information from the energy performance certificate (actual or estimated) of the properties financed; emissions associated with the remaining financing and investment portfolio have been calculated from carbon footprint information (scope 1, 2 and 3) reported by the financed companies/projects, or from sectoral proxies. In all cases, the allocation of emissions financed by CaixaBank has been carried out based on the allocation factor defined by the PCAF for each type of asset and the best data available in each case.

The financed emissions included in the current template cannot be directly compared to those of December 2022, due to this month only including financed emissions for the two sectors that had been set decarbonisation targets (electricity and oil & gas) and showing the methodological decisions made for setting the alignment metrics, as specified in the corresponding note: based on the total granted risk and for the decarbonisation perimeter established for each of the sectors. As of June, the financed emissions for all sectors and credit value used (at risk) have been included, based on the PCAF methodology.

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Energy efficiency of collateral

Below is information, as at June 2023, on the energy performance of loans secured by commercial or residential immovable property, as well as the collateral obtained by taking possession, based on their energy efficiency in terms of energy consumption (kWh/m2) or their energy efficiency certificates (EPC).

Table 7.51. Template 2: Banking book - transition risk of climate change: Loans secured by immovable property - Energy efficiency of collateral

Amounts in millions of euros.	Gross carrying amount															
		Energy efficiency level (EP measurement in kWh/m² of collateral)						Energy efficiency level (collateral EPC)							No collateral EPC	
Sector/subsector		0; <= 10t0	> 100; <= 200	> 200; <= 300	> 300; <= 400	> 400; <= 500	> 500	A	B	C	D	In	F	G		Of which estimated level of energy efficiency (EP measurement in kWh/m² of collateral)
1 Total area of the EU	172,818	18,327	45,595	46,838	12,735	1,556	1,535	2,088	2,449	2,322	6,490	20,448	4,408	5,835	128,778	70%
2 Of which loans secured by commercial immovable property	20,376	1,920	1,891	1,530	341	116	153	602	841	636	734	720	188	188	16,467	18%
3 Of which loans secured by residential immovable property	148,387	16,252	43,025	44,680	12,216	1,413	1,359	1,485	1,600	1,647	5,639	19,324	4,128	5,440	109,125	78%
4 Of which guarantees obtained by taking possession: residential and commercial immovable property	4,055	155	680	627	178	28	23	1	7	39	118	403	93	207	3,186	34%
5 Of which estimated level of energy efficiency (PE measurement in kWh/m² of collateral)	89,777	11,253	31,647	35,746	9,696	673	761								89,636	100%
6 Total area outside the EU	151	—	—	—	—	—	—	—	—	—	—	—	—	—	151	0%
7 Of which loans secured by commercial immovable property	151	—	—	—	—	—	—	—	—	—	—	—	—	—	151	0%
8 Of which loans secured by residential immovable property	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
9 Of which guarantees obtained by taking possession: residential and commercial immovable property	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
10 Of which estimated level of energy efficiency (PE measurement in kWh/m² of collateral)	—	—	—	—	—	—	—								—	

Following the EBA/ITS/2022/01 guidelines, in table 7.52. Template 2: Banking book - transition risk of climate change: Loans secured by immovable property - Energy efficiency of collateral; the exposure is broken down by energy efficiency segments according to the specific consumption of the secured property, reporting both the consumption indicated in the energy certificate (EPC) and the consumption estimated by the Entity. As for the exposure by energy certificate, position by energy certificate, only actual energy certificates have been considered.

Energy efficiency certificates were introduced in the EU via Directive 2010/31/EU of the European Parliament and of the Council, of 19 May, on the energy performance of buildings, and in Spain the basic procedure for certifying the energy efficiency of buildings was approved by Royal Decree 235/2013, of 5 April. Given that the energy certification regulations apply in Spain only to certain types of properties and transactions since 2013, the EPC coverage at a national level is still low (approx. 19% for residential properties, based on public certification data disclosed by IDAE at December 2022 and the estimated stock of dwellings).

The EPC provides information on the Energy Consumption and CO2 Emissions of a property, classifying it within a scale. This classification will vary from Class A -lowest less energy consumers- to Class G -highest energy consumers- in terms of consumption, which also applies to emissions. This classification is based on the building's assessment, regardless of its actual use.

With the aim of disposing of the maximum amount of information based on actual EPCs, CaixaBank has compiled massively, with the support of an external provider, information on the stock of immovable property secured as collateral in loans, own property and foreclosed assets. In addition, since 2022, information has been systematically complied on the EPCs in new operations with mortgage guarantee within the process of formalising a mortgage. However, despite the mandatory nature of the certificate, the relevant information is not always accessible to the financial institution.

99.9% of the total gross carrying amount of loans secured by real estate are located in the EU. 84.5% of these are secured with residential immovable property.

CaixaBank has used various sources of information and methodologies to obtain the data on energy consumption and energy certificates:

- Information based on the actual energy efficiency certificates compiled by the Entity, and
- Use of different inference and estimation models developed by the external data provider, based on the available information in each case.

When it comes to estimating the information regarding properties, the energy consumption data that CaixaBank has accounts for 21% of the exposure, while the consumption of the rest of the properties has been estimated.

The EPCs it has accounts for 24% of the exposure. When compared to the previous half, assets which do not require an energy efficiency certificate have not been considered (e.g. storage rooms and parking spaces).

The largest concentration of properties are among those that consume between 100 and 300 kWh/m2 and are classified as Class E.

Given that the portfolio is highly concentrated in Spain and in the residential segment, its distribution is as expected when compared to the public information available (IDAE).

Alignment metrics

The following table includes, as at June 2023, information on the alignment metrics with respect to the Paris Agreement for a selection of more carbon-intensive sectors. The pathways to decarbonisation are those established by the International Energy Agency (IEA) for a net zero scenario by 2050 (NZE2050).

Table 7.52. Template 3: Banking book - transition risk of climate change: Alignment metrics

	Sector	NACE sectors (Minimum)	Gross carrying amount of the portfolio (€M)	Alignment metrics[1]	Reference year	Distance from IEA NZE2050 in %[2]	Target (reference year + 3 years)
1	Electricity	3511	14,406	136 kgCO2e/ MWh	2,020	0%	
2	Oil & Gas	610, 620, 910, 1920, 3521, 3522, 3523, 4671, 4730	1,728	26.9 Mt CO2e	2,020	23,%	
3	Automotive						
4	Aviation						
5	Sea transport						
6	Production of cement, clinker and lime						
7	Production of iron and steel, coke and metal ores						
8	Chemical						
9	... potential additions related to the institution's business model						

[1] The alignment metric is based on the total granted for the loan portfolio in the decarbonisation perimeter; see details in CaixaBank's 2021 - June 2022 – Climate Report

[2] Distance of PiT to the 2030 NZE2050 scenario in % (for each metric)

For the calculation of decarbonisation targets in both sectors, the IEA Net Zero Scenario (from the International Energy Agency) has been used as a reference.

For the calculation of the Oil & Gas sector's metric, the following NACEs were considered: 610, 620, 910, 1920, 3521, 3522, 3523, 4671, 4730, 1910 and 4950. The objective has been established using a sub-group of the above-mentioned NACEs based on a materiality analysis in terms of emissions and exposure (excluding 1910 and 4950).

CaixaBank does not consider NACEs 2014 and 4612 within the scope of the calculation, as they are covered by Scope 3 emissions of the other activities, and because it includes the NACE 4950.

The value chain segments within the perimeter of the decarbonisation targets include companies active mainly in the upstream (exploration and extraction) and downstream (mainly engaged in refining, distribution and marketing) and integrated companies (active throughout the value chain), which account for approximately 60% of the total limits granted in CaixaBank's loan portfolio to this sector and approximately 96% of the scope 1, 2 and 3 emissions financed, with transport, storage and trading, which account for around 4% of the financed emissions, remaining outside the scope. CaixaBank has set a decarbonisation target through an absolute emissions metric, in line with industry expectations.

For the calculation of the electricity sector's metric, the following NACEs were considered: 2446, 3511, 3512, 3513, 3514. The objective has been established using a sub-group of the above-mentioned NACEs based on a materiality analysis in terms of emissions and exposure (excluding 2446, 3512, 3513 and 3514).

CaixaBank does not consider NACEs 2712, 251, 3314 and 4321 within the scope of calculation, since it considers that they are not representative of the assessed electricity sector, and it includes NACE 2446, which is representative.

CaixaBank's target for this sector focuses on Scope 1 emissions by generation and integrated companies. Generation is the link in the value chain where decarbonisation actions have the greatest impact on reducing overall emissions in the sector. This perimeter (limit granted) covers 92% of the sector's total portfolio exposure and 99% of its Scope 1 issues. Finally, following the recommendations of the UNEP FI Guidelines for Target Setting, the emissions reduction target has been set using the physical intensity of the portfolio (kgCO_2e/MWh) based on the total granted amount as a metric.

The gross carrying value of the portfolio shown in the table corresponds to the aggregate exposure of the companies within the perimeter, as specified in the previous paragraphs.

CaixaBank has decided to take 2020 as the base year in order to establish rigorous targets based on robust data. The main reason for this decision is that in 2021 there is a significant time lag between the end of the financial year and the availability of data reported by companies, especially data emissions.

As for the distance to the IEA's 2030 target in the electricity sector, it is 0% since CaixaBank's starting point (136 kg CO2e/MWh in 2020) is already lower than the IEA target set by 2030 (156 kg CO2e/MWh in 2030). In the oil and gas sector, CaixaBank has carried out a percentage alignment of 23% with respect to the 2030 target, in line with the IEA.

CaixaBank has not set a target with a 3-year horizon beyond the interim target set for 2030.

Exposure to the 20 most polluting companies

The table below shows aggregate information, as at June 2023, on the exposure to the 20 most carbon-intensive companies at the global level, including gross carrying amount, relative weight in the portfolio, average maturity and number of counterparties.

Table 7.53. Template 4: Banking book - transition risk of climate change: Exposures to the 20 leading carbon-intensive companies

	Gross carrying amount (aggregate)	Gross carrying amount versus counterparties compared to the total gross carrying amount (aggregate)*	Weighted average maturity	Number of 20 leading polluting companies included
1	814	0.17%	6	5

[1] *For counterparties among the 20 leading carbon emitting companies worldwide*

With regard to the most carbon-intensive companies at the global level, CaixaBank has opted to use the Carbon Majors database from the *Climate Accountability Institute* report.

CaixaBank has material exposure in 5 of the 20 companies included in the *Carbon Majors* list, and the gross aggregate amount stands at EUR 841 million, which represents 0.17% of the total gross carrying amount. With respect to the previous half, the exposure of a borrower has been included, which had not been considered previously due to not being classified as a non-financial corporation; this involves a higher reported exposure. However, when applying the same criterion at the end of 2022 (€839 million), there is no increase in exposure compared to the 20 most polluting companies.

Exposures subject to physical risk

The following table shows how the physical risks related to climate change affect the credit exposures of the different geographical areas, broken down between business activities by sector of activity and loans secured with real estate and foreclosed assets as at June 2023. With respect to the previous half, the eligible asset to issue bonds has been included in loans.

Table 7.54. Template 5: Banking book - Physical risk of climate change: Exposures subject to physical risk

	Gross carrying amount (million EUR)													
		of which exposures sensitive to the impact of physical events of climate events												
		Breakdown by maturity										Accumulated impairment, negative changes accumulated in fair value due to credit risk and provisions		
Variable: Geographical area subject to physical risk due to climate change - acute and chronic events		<= 5 years	> 5 years <= 10 years	> 10 years <= 20 years	> 20 years	Weighted average maturity	of which exposures sensitive to the impact of chronic climate change events	of which exposures sensitive to the impact of acute climate change events	of which exposures sensitive to the impact of chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures
A - Agriculture, forestry and fishing	€2,236	1,242	406	52	4	3	24	1,638	41	212	91	(60)	(8)	(46)
B - Mining and quarrying	267	24	4	–	0	2	4	23	0	3	1	(0)	(0)	(0)
C - Manufacturing	21,925	1,332	248	121	2	3	460	1,215	29	130	81	(43)	(4)	(34)
D - Electricity, gas, steam and air conditioning supply	10,352	254	51	318	12	9	64	571	1	57	63	(35)	(2)	(33)
E - Water supply; sewage, waste management and remediation activities	1,766	195	10	2	0	2	32	175	–	4	0	(1)	(0)	(0)
F - Construction	6,728	575	47	32	10	3	95	540	30	85	66	(35)	(3)	(30)
G - Wholesale and retail trade; repair of motor vehicles and motorcycles	17,371	893	78	35	1	2	447	526	32	103	42	(28)	(4)	(22)
H - Transport and storage	10,024	94	16	29	60	10	28	171	2	18	21	(22)	(0)	(20)
L - Real estate activities	4,902	155	117	61	1	4	149	182	3	18	13	(12)	(1)	(10)
Loans secured by residential immovable property	147,043	152	532	2,087	3,386	21	2,162	3,862	133	580	167	(74)	(15)	(57)
Loans secured by commercial immovable property	20,447	71	116	217	29	11	149	274	10	56	51	(26)	(2)	(22)
Guarantees recovered	4,055	–	–	–	219	–	162	52	4	–	–	–	–	–
Other relevant sectors (breakdown below where applicable)	–	–	–	–	–	–	–	–	–	–	–	–	–	–

The scope of this table includes the breakdown of exposures to non-financial companies in loans and advances, debt securities and equity instruments, excluding those held for trading, by economic sector of activity.

Following the EBA instructions, for counterparties with non-discriminating NACE (holding type), the assignment of counterparties to NACE is based on the nature of the counterparty's activity.

The template includes a breakdown of physical risk events classified as acute and chronic events, where acute events are understood as those that originate in a short period of time but with serious effects on the affected geographical areas and where chronic events are those that originate during a relatively long period of time and the consequences of which are milder, but longer lasting.

In this template CaixaBank only includes exposures located in Spain and Portugal, as exposures located in other territories are not considered significant, due to representing approximately 13% of the portfolio.

In order to calculate the physical risk associated with climate change, CaixaBank has developed an internal method by means of which it has calculated the probability of occurrence and the degree of impact (severity) of a total of five climatic events. The probability of occurrence is linked to the location of the property or business activity (by postal code), while the impact or severity is associated with the climate event and business activity (at the NACE level).

By combining both parameters assigned to each exposure (probability of occurrence and severity), a degree of impact is obtained from each climate event, which allows classifying the exposures into four levels according to said degree of impact.

When defining the exposures that are sensitive to physical events related to climate change, CaixaBank considers exposures with a high level of impact, which represent approximately 5% of the exposure.

Other mitigation measures

The following table includes, as at June 2023, the exposures that support counterparties in climate change transition and adaptation but do not meet the conditions for inclusion in templates 6 to 9, as they do not fully meet the criteria set out in Regulation (EU) 2020/1818 on Sustainable Environmental Taxonomy (GAR and BTAR, which will begin to be disclosed with 2023 and 2024 year-end data, respectively, according to EBA guidelines). With respect to the previous half, the eligible asset to issue bonds has been included in loans.

Table 7.55. Template 10 - Other actions to mitigate climate change that are not covered in the EU taxonomy

Type of financial instrument	Type of counterparty	Gross carrying amount (Millions of euros)	Type of mitigated risk (transition risk from climate change)	Type of mitigated risk (physical risk due to climate change)	Qualitative information on the nature of the mitigation measures
Bonds (e.g. green, sustainable, sustainably-related under standards other than EU standards)	Financial institutions				
	Non-financial institutions				
	Of which loans secured by commercial immovable property				
	Households				
	Of which loans secured by residential immovable property				
	Of which loans for renovating buildings				
	Other counterparties				
Loans (e.g. green, sustainable, sustainably-related under standards other than EU standards)	Financial institutions	708	YES	0	Includes the eligible asset to issue green bonds according to the issuance framework of bonds linked to CaixaBank's Sustainable Development Goals, "Green Loans" according to the "Loan Market Association" (not included in other sections) and "Sustainability Linked Loans" according to the "Loan Market Association" with KPIs to mitigate climate change
	Non-financial institutions	11,672	YES	0	Includes the eligible asset to issue green bonds according to the issuance framework of bonds linked to CaixaBank's Sustainable Development Goals, "Green Loans" according to the "Loan Market Association" (not included in other sections) and "Sustainability Linked Loans" according to the "Loan Market Association" with KPIs to mitigate climate change
	Of which loans secured by commercial immovable property	869	YES	0	Includes the eligible asset to issue green bonds according to the issuance framework of bonds linked to CaixaBank's Sustainable Development Goals, "Green Loans" according to the "Loan Market Association" (not included in other sections) and "Sustainability Linked Loans" according to the "Loan Market Association" with KPIs to mitigate climate change
	Households	1,246	YES	0	Includes assets eligible for green bonds, according to the issuance framework of bonds linked to CaixaBank's Sustainable Development Goals
	Of which loans secured by residential immovable property	1,246	YES	0	Includes assets eligible for green bonds, according to the issuance framework of bonds linked to CaixaBank's Sustainable Development Goals
	Of which loans for renovating buildings				
	Other counterparties	315	YES	0	Includes the eligible asset to issue green bonds according to the issuance framework of bonds linked to CaixaBank's Sustainable Development Goals, "Green Loans" according to the "Loan Market Association" (not included in other sections) and "Sustainability Linked Loans" according to the "Loan Market Association" with KPIs to mitigate climate change

The template's scope consists of actions and activities aimed at mitigating climate change, disaggregated into two types of financial instruments, bonds and loans. Following the EBA's guidelines in the instructions for disclosure of ESG risks. CaixaBank has chosen a conservative approach to complete the template, including only the following types of assets:

- Eligible asset to issue Green Bonds in accordance with the issuance framework of bonds linked to CaixaBank's Sustainable Development Goals (SDG Framework), aligned with the Green Bond Principles of the International Capital Market Association (ICMA) and that consider activities that contribute to mitigating climate change. As at 31/12/2022, the eligible asset to issue Green Bonds exclusively includes financing of projects or activities that contribute to mitigating climate change in accordance with the technical criteria of the EU Taxonomy, mainly financing renewable energy and energy-efficient projects; however, full compliance with the *Do No Significant Harm* criteria of the EU Taxonomy cannot be demonstrated. With respect to the previous half, the eligible asset to issue bonds is reported under the loans heading, in line with the type of asset.

- Loans reported as Green Loans, based on the *Green Loan Principles of the Loan Market Association* (LMA), that finance eligible activities aimed at mitigating climate change, but for which compliance with the EU Taxonomy cannot be demonstrated and which do not meet the eligibility conditions for a Green Bond, according to the CaixaBank SDG Framework.

- Sustainability Linked Loans financed under the *Sustainability Linked Loan Principles* of the LMA and whose key performance indicators (KPIs) are directly related to the objectives of mitigating or adapting to climate change (mainly reduction of absolute CO2 emissions or reduction of CO2 intensity metrics); in spite of the climate-related KPIs, the purpose of these operations is not included in the EU taxonomy.