



Pillar 3 **Disclosures**

Half-yearly disclosure **ESG Risk**

CaixaBank Group

As at 30 June 2024

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

Document modified on October 31, 2024.

Page 59 is modified (Template 5: Banking book - Physical risk of climate change: Exposures subject to physical risk) and text on page 60.

03

3.4. ESG Cross-cutting Factor **Sustainability**

- 3.4.1. Environmental Risk
- 3.4.2. Social Risk
- 3.4.3. Governance Risk



08

8.1.4. Quantitative Information **ESG Risk**





03

ESG Cross-cutting
Factor **Sustainability**

3.4. ESG CROSS-CUTTING FACTOR (SUSTAINABILITY)

As presented in section 3.2.2 of the Pillar 3 Disclosures of 31 December 2023, **sustainability/ESG risk is considered a cross-cutting factor** affecting several risks in the Entity's Corporate Risk Catalogue.

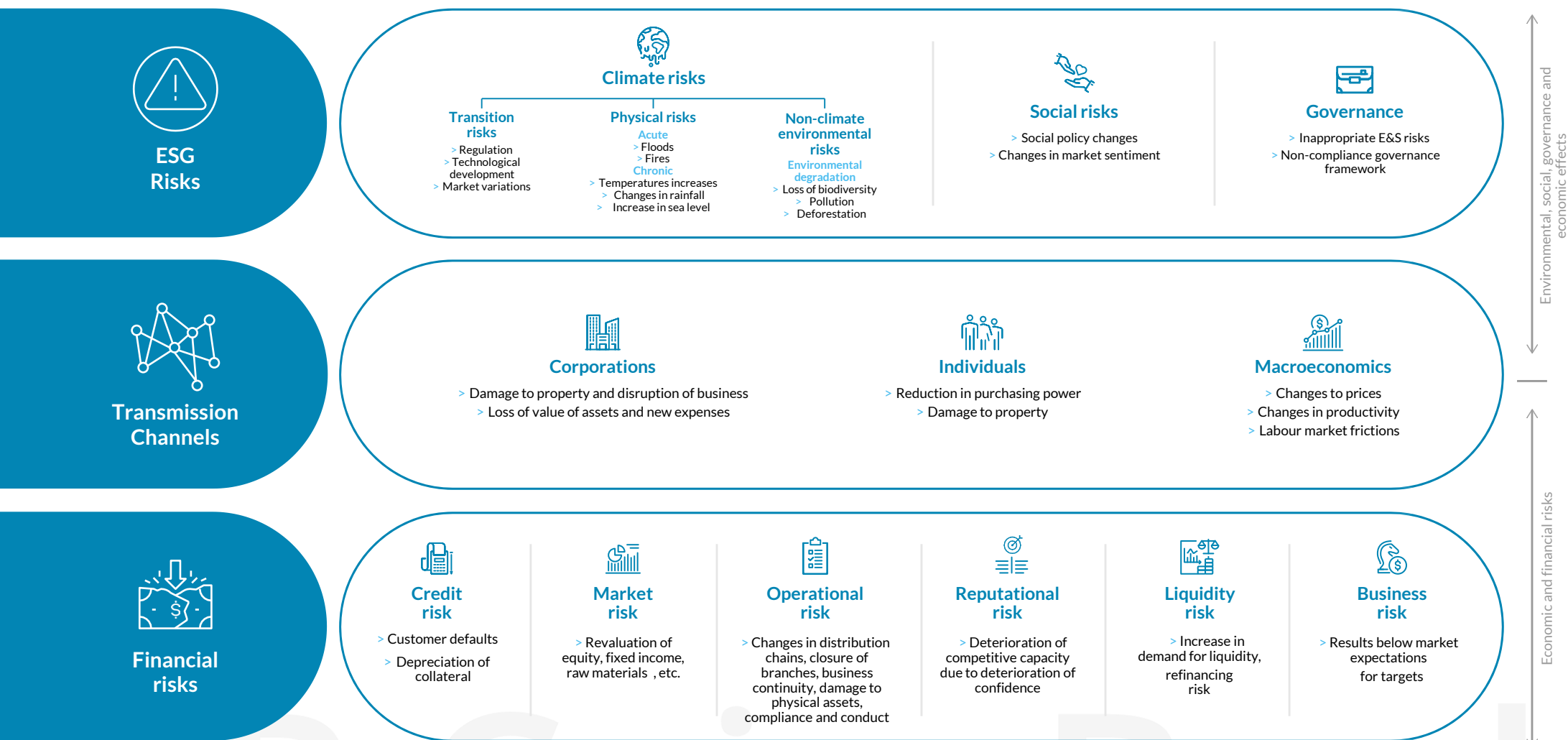
A. Treatment of ESG risks and management standards

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 (**transition 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.

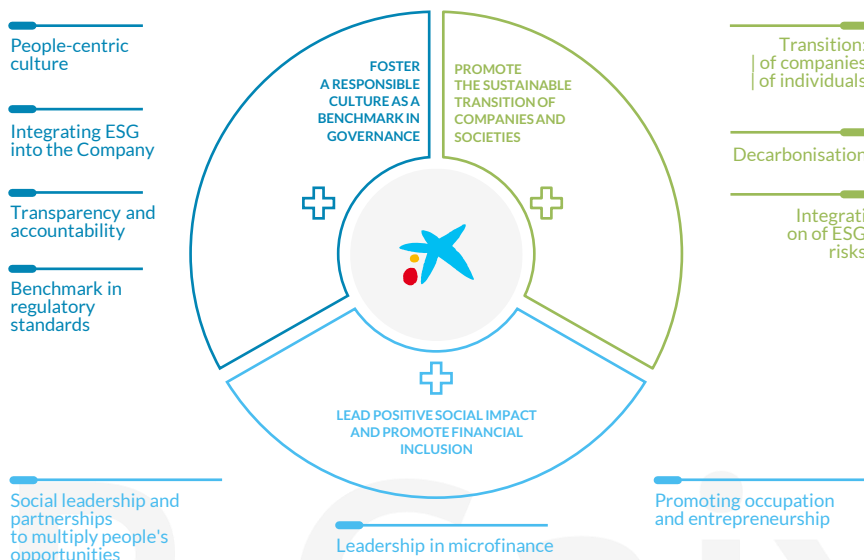




B. 2022-2024 Strategic Plan

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 and is one of its main lines of action, 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 most carbon-intensive sectors: oil and gas, power generation, automotive, iron and steel, thermal coal, commercial real estate, residential real estate, aviation, maritime and agriculture and livestock.
- > **Leading positive social impact and promoting financial inclusion** through MicroBank, a Group company ([Ethic and social banking | MicroBank](#)), the Group employees' volunteering and social action, promoting microfinance solutions and maintaining its commitment to the rural world, adapting the service channels to the needs of the different customer groups.
- > **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 SUSTAINABLE BANKING PLAN 2022-2024



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 of Assets under management (AuM) in VidaCaixa, in products classified under Art. 8 and 9 of the SFDR. The calculation includes 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). The initial target set for 2024 of 42% to 43% with the update of the Equality Plan has been updated in 2023.

3.4.1. ENVIRONMENTAL RISK

A. 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 2023 Consolidated Management Report).

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 F¹) and the Spanish Group for Green Growth.

In addition, CaixaBank in the Climate Change Statement, approved and updated by its Board of Directors in February 2024, reflects the Entity's environmental and climate commitment through the following lines of action:



A 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.

In February 2024, CaixaBank's Board of Directors approved a Statement on Nature, which sets out main lines of actions to address in the upcoming years:

- > Assessment of impacts, dependencies and the materiality of risks (portfolio focus).
- > Taking nature into account in the management of sustainability risks.
- > Support to customers (business solutions and engagement).
- > Integration in the management of operational impacts (waste management, plastics, water consumption, etc.).
- > Staff training (focus on specialised teams).
- > Active dialogue with stakeholders (issuers, regulators, customers).
- > Participation in collaborative initiatives.
- > Transparency and reporting.

¹ United Nations Environment Programme Finance Initiative.

Climate change also opens business opportunities in the mobilisation of capital towards investments that pursue sustainable and inclusive growth. CaixaBank offers its customers products that integrate environmental, social and governance criteria and promotes environmentally sustainable activities that contribute to the transition to a low-carbon economy.

CaixaBank has a Financing Framework linked to the SDGs (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 came into force in the financial year 2022 and its extension to social assets 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 change¹.

In line with its sustainable banking model, CaixaBank is committed to integrating sustainable criteria into its investment, understood as investment that not only offers economic returns for investors, but also promotes management that is coherent with the creation of value for society at large, pursuing a social and environmental benefit².

_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 below:



/ MOBILISING SUSTAINABLE FINANCE



¹ For further details, see section "Mobilisation of sustainable finances" and section "Green Taxonomy" under section Sustainable Business of the Management Report of December 2023.
² For further details, see section "Responsible investment" in section Sustainable Business of the Management Report of December 2023.

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 (carbon-intensive sectors).

The first decarbonisation targets for 2030 for the power generation and oil and gas sectors were disclosed in October 2022. In 2023, decarbonisation targets were published for the automotive, iron and steel sectors. In addition, a coal phase-out target was published. In 2024 the last decarbonisation targets were published for the residential and commercial real estate, aviation, maritime and agricultural and livestock sectors. Furthermore, the non-materiality of the aluminium and cement sectors was also determined.

For details on the design of the objectives, see [Environment and climate strategy | CaixaBank](#).



¹ Includes Scope 3 category 11 emissions: Use of sold products, tank-to-wheel.
² Mitigating factors are considered to be phase-out commitments <= 2030 or only renewable financing.

Environmental Management Plan

In addition, CaixaBank's 2022-2024 Sustainable Banking Plan includes **the 2022-2024 Environmental Management Plan¹**, with eight lines of action that aim to reduce the direct impact of CaixaBank Group's activity:

01

Governance in Environmental Management at Group level.

02

Carbon Footprint mitigation strategy.

03

Environmentalisation of procurement and contracts.

04

Environmentalisation of sales of non-financial products.

05

Commitment to the **circular economy**.

06

Sustainable Mobility.

07

Promotion of efficiency.

08

Renewal of voluntary certifications and extension of scope.



¹ For more information, see section "Environmental Management Plan" of CaixaBank's Consolidated Management Report of 2023.

The **2022-2024 Environmental Management Plan sets quantitative targets¹** for all the years of the plan, aligned with the climate strategy and focused on the reduction of direct impacts:

Target	Indicators	2022	2022	2023	2023	2024
		target	actual	target	actual	target
Minimising and offsetting the carbon footprint	Scope 1 (vs 2021 ²)	-7.00%	-10.00%	-10.00%	-21.00%	-15.00%
	Scope 2 (MARKET-BASED) (vs 2021)	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%
	Scope 3 operational perimeter calculated 2021 ³	-12.00%	-38.00%	-15.00%	-35.00%	-18.00%
	Global CO ₂ emissions reduced (vs 2021)	-12.90%	-32.00%	-16.00%	-33.00%	-19.00%
	Carbon Neutral ⁴ . CO ₂ emissions offset: scopes 1, 2 and 3.6 (corporate trips)	100.00%	100.00%	100.00%	100.00%	100.00%
Consumption of 100% renewable energy	Renewable energy consumption	100.00%	100.00%	100.00%	100.00%	100.00%
Reduction of paper consumption/waste	Reduction of paper consumption (vs 2021)	-8.00%	-34.60%	-12.00%	-27.70%	-15.00%
Implementation of energy efficiency measures	Savings in energy consumption (vs 2021)	-6.00%	-14.10%	-8.00%	-22.80%	-10.00%
Renewal of certifications and extension of the perimeter	Environmental certifications in main buildings (vs 11 certifications 2021 ⁵)	2	2	3	3	4

¹ The targets related to reducing emissions in scopes 1 and 2, the Carbon Neutral target, 100% renewable energy consumption and its reduction and the number of certifications take into account the entire Group (including 16 subsidiaries) and scope 3 and the reduction in paper consumption are limited to CaixaBank, S.A.

² For the calculation of the scope 1 target, CaixaBank's cooling gas emissions data take the average for the period 2019-2021 as the baseline year.

³ The scope 3 (operational) target was calculated by taking into consideration the calculation perimeter prior to the rescaled operational carbon footprint, including various scope 3 categories irrespective of which are material. The corporate travel issuance data, included in this target pertain to CaixaBank, S.A. and take as the baseline year 2019 (prior to COVID-19 restrictions).

⁴ The carbon neutral perimeter includes CaixaBank Group's scopes 1, 2 and 3.6 (corporate travel). Emissions that could not be avoided, and offset them by purchasing credits on the voluntary emissions offset market, as explained in the section Carbon footprint mitigation strategy.

⁵ In 2022 CaixaBank sold the certified building located at Paseo de la Castellana 51, transferring most of its employees to the building at Castellana 189, which is also ISO 14001 certified. The baseline data on which we assess the targets has changed to 10 certifications on which two new buildings belonging to BPI were added in 2022 and a third belonging thereto in 2023.

B. Governance

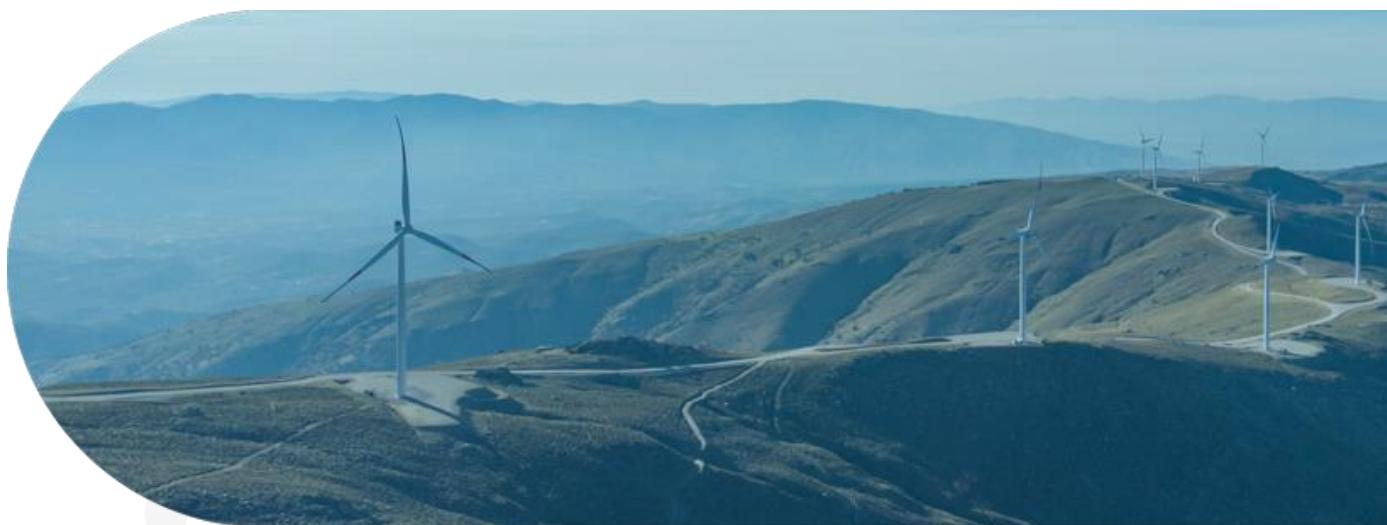
Sustainability governance in general is one of CaixaBank's priorities. The integration of the factors ASG into the Group's activity led to the definition and review of the policies, procedures and functions in order to ensure that these pillars are considered in the decision-making.

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.

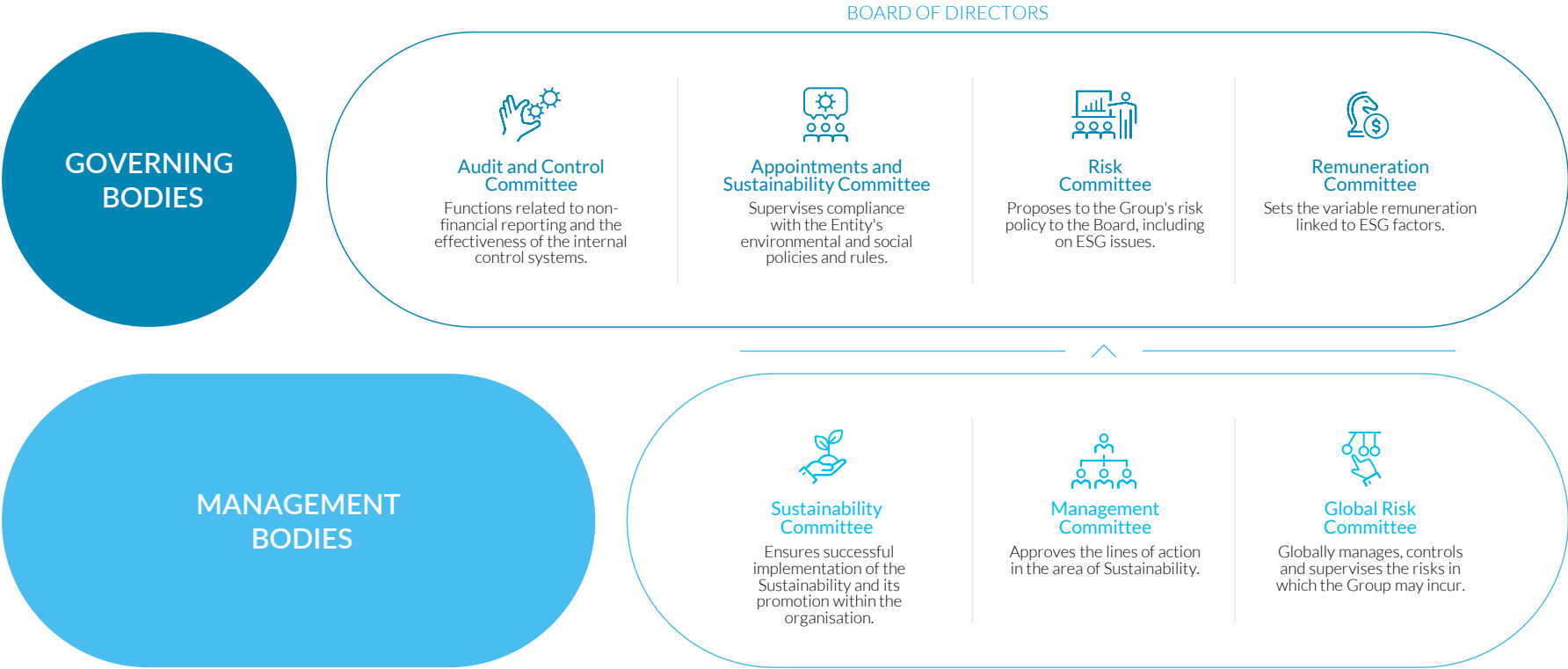
With the aim of achieving a solid sustainability governance, a sustainability governance system based on the structure of the existing governing bodies has been established, providing them with new responsibilities on the matter and

complementing them with existing corporate bodies (Management Committee and Global Risk Committee) and newly created internal committees specialising in the field, such as the Sustainability Committee and other Steering Committees whose objective is to encourage different lines of work, such as the Net Zero Banking Alliance (NZBA) or Project Earth (inclusion of ESG risks ASG in the credit cycle).

Furthermore, this governance system will allow meeting CaixaBank's objective of implementing a coherent, efficient and adaptable ESG risk management governance model that monitors the achievement of CaixaBank Group's goals, in line with the ECB's expectations and the best market practices.



The structure of the sustainability governance model is described in the following chart:



The **Appointments Committee and Sustainability** oversees the Company's activity in relation to sustainability, as well as the the compliance with the Company's rules and policies in environmental and social matters, regularly evaluating and reviewing them, with the aim of confirming that it is fulfilling its mission to promote the corporate interest and catering, where appropriate, to the legitimate interests of remaining stakeholders, as well as submitting the proposals it considers appropriate on this matter to the Board and, particularly, submitting the sustainability/corporateresponsibility policy for approval. In addition, the Committee will ensure the Company' environmental and social practices are in accordance with the established strategy and policy.

The **Risk Committee** is responsible for proposing the Group's risk policy to the Board of Directors, including ESG risks and, in particular, climate risks.

The **Audit and Control Committee** oversees the process of elaborating and presenting mandatory financial and non-financial information regarding the Company and, where relevant, the Group, including information related to Sustainability, among others, climate information.

And the **Remuneration Committee** sets the variable remuneration linked to ESG factors.



The Group considers sustainability in its daily activities, in both its relationship with customers and the internal processes. The definition, execution and development of the strategy adopted by the governing bodies falls on the management bodies. This strategy is cross-cutting in nature and includes sustainability and climate change as its priorities. It is the responsibility of all the Group's areas to gradually incorporate it into their functions.

CaixaBank has added sustainability management and monitoring to its existing management structure. Furthermore, it has established the same internal control framework for non-financial information. This framework is based on the three lines of defence model that provides a reasonable degree of assurance that the Group will achieve its objectives.

The **Management Board** is the highest management body is responsible for approving the main lines of action within the scope sustainability.

The **Sustainability Committee** reports to the Management Committee and is responsible for approving CaixaBank's sustainability strategy and practices and tracking them, as well as for proposing and presenting for approval by the corresponding Governing Bodies the general policies for managing sustainability.

The **Global Risk Committee** reports to the Risk Committee and is responsible for managing, controlling and monitoring the global ESG risks, among others, as well as the implications for managing liquidity, solvency and capital consumption.

A list of the main decision points of the aforementioned management bodies can be found in the section 03. Corporate governance in section "Sustainability Governance" and subsection "Management Bodies" of the [IGC 2023 ENG.pdf](#) (caixabank.com).

The **Sustainability Department** is responsible for coordinating the definition, updating and monitoring of the Group's sustainability strategy, as well as updating CaixaBank's Principles of Sustainability, which shall be applicable to all staff, executives and members of the governing bodies to guarantee the Entity's transparency, independence and good governance, with a view to safeguarding the interest of people and the territory. The Sustainability Department defines 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. It also assesses and analyses the Entity's participation in climate and sustainability associations.

The Sustainability Department has the following organisational structure:

- > Sustainability Strategy and Monitoring.
- > Sustainability Risks.
- > Sustainable Business and Product Coordination.
- > ESG Communication.
- > Climate Risk.

In March 2024, the Board of Directors approved the update to 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 model¹ 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 criteria in decision-making and minimise redundant processes, which could hamper commercial or investing activities.

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. In this regard, in 2023 30% of the annual variable remuneration granted to the Chairman and CEO is linked to ESG factors, such as Quality, Conduct and Compliance challenges and the mobilisation of sustainable finance. Likewise, in the adjustment with multi-year metrics of this variable remuneration, 25% is linked to the challenge of Mobilising long-term sustainable finances. These factors are also included in the calculation and adjustment of the variable remuneration of the members of the Management Committee, the rest of the Identified Staff and the Central Services staff, including Business Banking and CIB. As of 2024, these mobilisation of sustainable finance will be included in the calculation of the variable remuneration of Retail Banking and therefore of the entire CaixaBank workforce.

In 2023, in the annual variable remuneration scheme of the members of the Management Committee, the quality, compliance and sustainability metrics together weigh 15% (5% each) when calculating the variable remuneration to be received.

¹ See section 3.1.2 Internal control framework.

The rest of the metrics are profitability (10%), efficiency (10%), variation in troubled assets (5%) and risk appetite (15%). For Executive Directors, the weight of these metrics is double in all goals, except for risk appetite, which increases to 20%, as their variable remuneration fully depends on the corporate goals.

In the multiannual variable remuneration scheme, each of the metrics has a weight of 25%, these being the CET1, the multiannual ROTE, the indicator of the relative performance of the action and the mobilisation of sustainable finance.

Both for annual variable remuneration and for the multiannual variable remuneration, the sustainability metric selected is the mobilisation of sustainable finance, understood as new production. This metric is one of the level one KPIs of the Bank'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 Bank is seeking to gradually lead the balance sheet towards exposures with a lower climate, environmental and social risk.

The amount of sustainable finance mobilisation includes: **i)** Sustainable mortgage financing ("A" or "B" energy efficiency certificate), financing for energy renovation of homes, financing of hybrid/electric vehicles, financing of photovoltaic panels, eco-financing and microloans granted by MicroBank; Sustainable financing for Companies, Real State and CIB&IB; The amount considered for the purpose of the transfer of sustainable financing is the risk limit formalised in sustainable financing operations for customers, including long-term, working capital and risk of signing. Tacit or explicit novations and renewals of sustainable financing are also considered; **ii)** CaixaBank's proportional share of its customers' issuance and placement of sustainable bonds (green, social or mixed); **iii)** Net increase in Assets under management at CaixaBank Asset Management in products classified under Art. 8 and 9 of the SFDR regulations (includes new funds/mergers of funds registered as Art. 8 and 9, plus net contributions – contributions less withdrawals – including the effect

of the market on the valuation of holdings); Gross increase in assets under management in VidaCaixa in products classified under Art. 8 and 9 of the SFDR regulations (including gross contributions - without considering withdrawals or market effect - to Pension Funds (FFPP), Voluntary Social Welfare Schemes (EPSV) and Unit Linked classified as Art. 8 and 9 under SFDR).

C. Risk management

Acute or chronic climate events (physical risks), changes in regulation, technological development, changes in market preferences, etc. (transition risks) 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.). The same applies to phenomena related to nature. 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).

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 intangible 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 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.

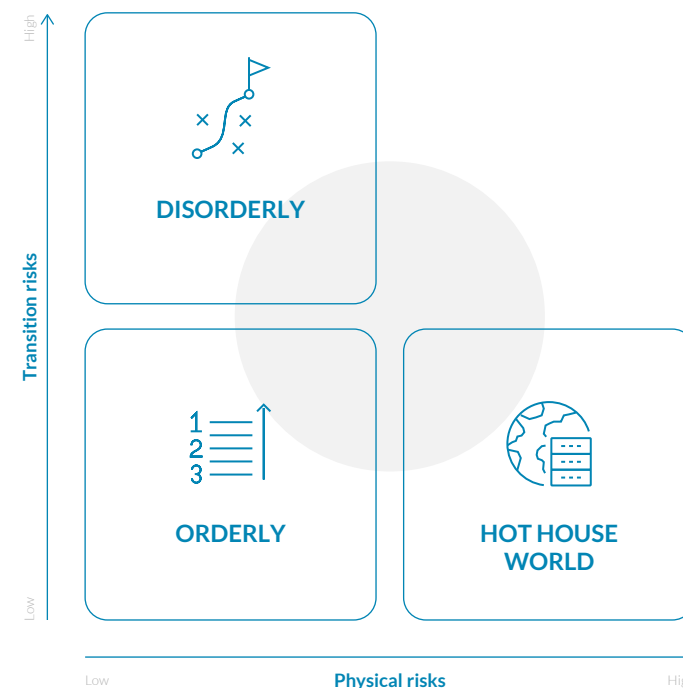
Identification and assessment of climate risks

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°C¹ 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 transition risk, 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.




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.




¹ Goal of limiting the temperature increase in 2100 to 1.5°C above pre-industrial levels.

/ CLIMATE RISK ANALYSIS MATRIX - ORDERLY TRANSITION SCENARIO



			TRANSITION RISK			PHYSICAL RISKS		
			ST	MT	LT	ST	MT	LT
	Credit risk	CIB SEGMENT	Low risk	Medium risk	Medium-high risk	Low risk	Medium risk	Medium-high risk
		BUSINESS SEGMENT	Low risk	Medium risk	Medium-high risk	Low risk	Medium risk	Medium-high risk
		MORTGAGE SEGMENT	Low risk	Medium risk	Medium-high risk	Low risk	Medium risk	Medium-high 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 risk	Medium risk	Low risk	Low risk	Medium risk
		REPUTATIONAL	Low risk	Medium risk	Medium risk	Low risk	Low risk	Low risk
		LIQUIDITY	Low risk	Low risk	Low risk	Low risk	Low risk	Low risk
		BUSINESS/STRATEGY	Medium risk	Medium risk	Medium risk	Low risk	Low risk	Low risk

In addition, the results of the risk analysis in the disorderly transition scenario and the Hot House World scenario are presented.

/ CLIMATE RISK ANALYSIS MATRIX - DISORDERLY TRANSITION SCENARIO

			TRANSITION RISK			PHYSICAL RISKS		
			ST	MT	LT	ST	MT	LT
	Credit risk	CIB SEGMENT	Low risk	Medium-high risk	High risk	Low risk	Medium risk	Medium-high risk
		BUSINESS SEGMENT	Low risk	Medium-high risk	High risk	Low risk	Medium risk	Medium-high risk
		MORTGAGE SEGMENT	Low risk	Medium risk	Medium risk	Low risk	Low risk	Medium 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 risk	Medium risk	Low risk	Low risk	Medium risk
		REPUTATIONAL	Low risk	Medium risk	Medium risk	Low risk	Low risk	Low risk
		LIQUIDITY	Low risk	Low risk	Low risk	Low risk	Low risk	Low risk
		BUSINESS/STRATEGY	Medium risk	Medium risk	Medium risk	Low risk	Low risk	Low risk

/ CLIMATE RISK ANALYSIS MATRIX - "HOT HOUSE WORLD" TRANSITION SCENARIO

			TRANSITION RISK			PHYSICAL RISKS		
			ST	MT	LT	ST	MT	LT
	Credit risk	CIB SEGMENT	Low risk	Medium risk	Medium risk	Low risk	Medium risk	Medium-high risk
		BUSINESS SEGMENT	Low risk	Medium risk	Medium risk	Low risk	Medium risk	Medium-high risk
		MORTGAGE SEGMENT	Low risk	Medium risk	Medium risk	Low risk	Low risk	Medium-high 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 risk	Medium risk	Low risk	Medium risk	Medium risk
		REPUTATIONAL	Low risk	Medium risk	Medium risk	Low risk	Low risk	Low risk
		LIQUIDITY	Low risk	Low risk	Low risk	Low risk	Low risk	Medium risk
		BUSINESS/STRATEGY	Low risk	Medium risk	Medium risk	Low risk	Low risk	Medium risk

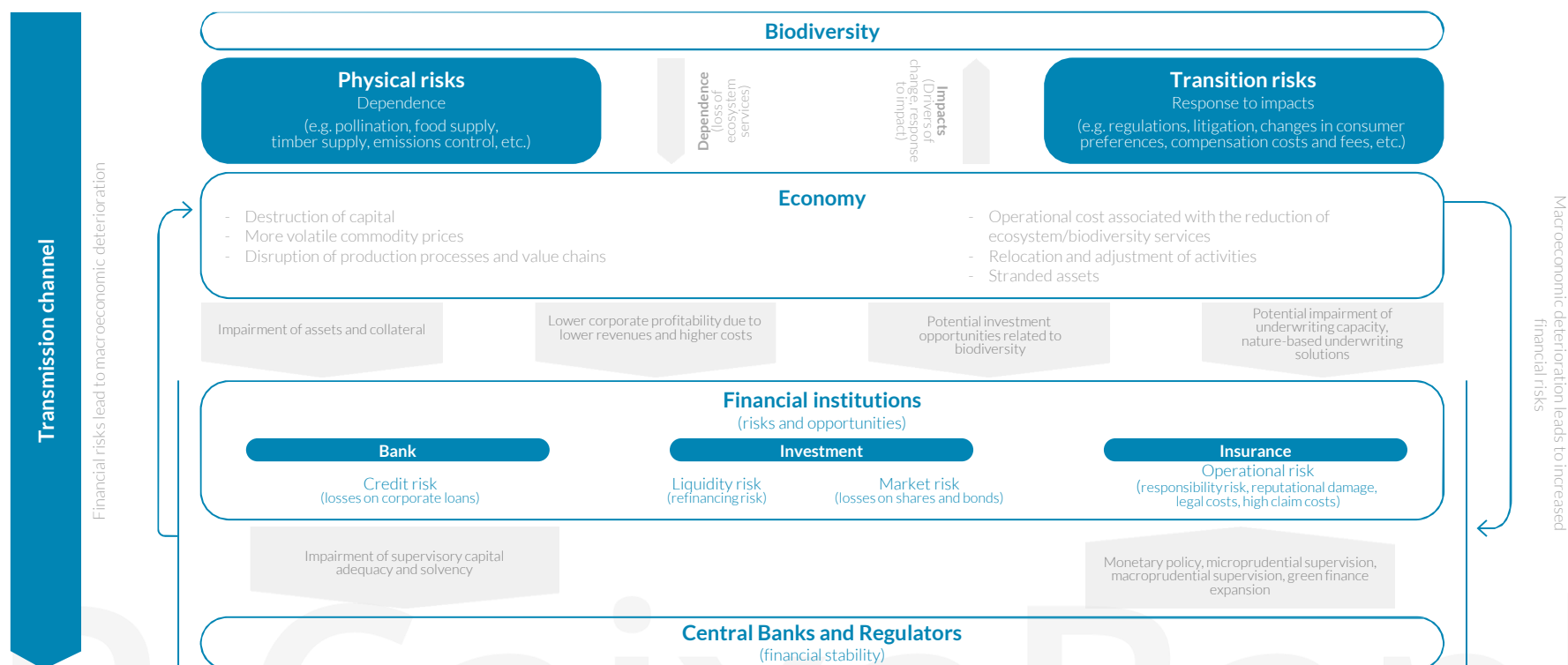
Low risk Medium-low risk Medium risk Medium-high risk High risk ST. Short term (up to 4 years) MT. Medium term (4 to 10 years) LT. Long term (over 10 years)

Identification and assessment of other risks related to nature

The analysis of environmental risks not arising from the climate has focused on the impacts on nature (loss of biodiversity, water, deforestation, pollution, etc.). Nature can impact credit risk through 5 drivers: Changes in land use, use and exploitation of natural resources, climate change, pollution and invasive species. To perform this analysis, a methodology similar to that used to analyse climate risks has been used, in which a distinction is made between physical and transition risks, related

to the direct impact of damage to nature and the fight to avoid it. Both kinds of risk have an impact on the main traditional risks.

Under these criteria, it is considered that the main impacts of other environmental risks are concentrated in the credit risk, medium and long term and the legal entities portfolio. There is also an impact in reputational risks.



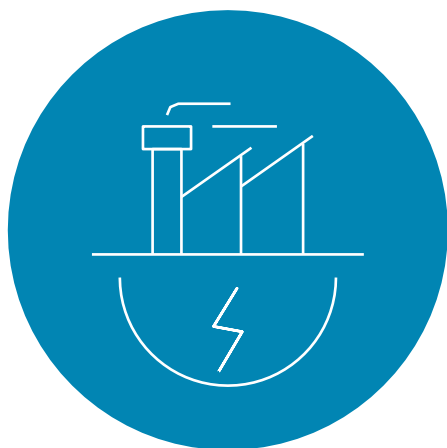
Environmental risk management

Following the assessment of the environmental risks and given the lesser materiality of non-climatic risks, the phased deployment of ESG risk management at CaixaBank has prioritised climate risks as detailed below. However, in CaixaBank the non-climatic environmental risks are already being actively managed through the following levers:

- > Incorporation of environmental risks in the risk acceptance processes through the application of the Corporate Sustainability/ESG Risk Management Policy. The environmental risks covered by this policy include natural heritage and biodiversity. CaixaBank recognises that its customers' economic activities may have substantial impacts on areas of high biodiversity value, sensitive ecosystems, areas susceptible to water stress, or national and internationally protected areas. Consequently, the Entity includes this consideration in its sustainability risk management, with the aim of minimising the impact of its portfolio on the natural environment.

- > Application of the Equator Principles to certain operations with potential environmental and social risks, including those related to human rights, climate change and biodiversity.
- > Management and disclosure of climate risks and opportunities: CaixaBank aims to align disclosure on nature-related risks and opportunities according to the recommendations of the Taskforce on Nature-related Financial Disclosure (TNFD). In this regard, during 2022 and 2023, CaixaBank has participated in one of the pilot projects launched by TNFD and coordinated by UNEP FI, which is working on the draft TNFD framework.

In 2024, the impacts, dependences, risks and opportunities related to nature are being analysed in further detail.



_Climate risk management

CaixaBank's climate risk management and analysis is 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). The supervisory expectations for risk management and risk communication in the European Central Bank's Guide on climate-related and environmental risks of November 2020 are also particularly relevant, and action plans and implementation schedules have been established to ensure that their processes are aligned with supervisory expectations. Therefore, in general terms, the actions indicated below are aimed at integrating ESG risks into the general management of the organisation's risks.

Corporate policy on sustainability/ESG risk management

In March 2024, the Board of Directors approved the update to 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.

In addition, this policy regulates the management of ESG risks, including climate risks, in the customer admission and monitoring processes and includes the following lines of action:

01

Defining and managing an internal ESG risk management plan in line with the Group's strategy.

02

Defining and managing the implementation of a framework of admission, monitoring and mitigation policies to maintain a risk profile in line with this strategy.

03

Developing the ESG risk analysis tools necessary for decision-making in client admission and risk concession processes, whether in corporate or project format.

04

Monitoring actions and operations with a potential significant impact on ESG risks.

05

Incentivising ESG risk mitigation practices in the portfolios under the scope of this Policy or other types of actions (such as, inter alia, the issuance of green and social bonds).

06

Promoting the development of systems for identifying, marking transactions for and measuring exposure to ESG risks, in accordance with the evolution of the regulatory framework, social sensitivity to these risks and best practices in the market.

07

Assigning roles linked to ESG risk management in the current organisational structure, with the necessary segregation of functions to maintain independence between the areas responsible for the processes of defining strategy, analysis and approval of operations and monitoring and control of these risks.

08

Establishing a system of powers for the admission of ESG risks, which allows them to be incorporated in an agile but rigorous manner into the ordinary decision-making processes.



The Policy establishes a series of general and sectorial exclusions relating to activities that may have a significant impact on human rights, the environment and climate, under which CaixaBank cannot take on credit risk. General exclusions apply to all customers, while sectorial exclusions apply to certain activities in the defence and security; energy; mining; infrastructures and transportation; agriculture, fishing, livestock and forestry.

For the energy sector, the following financing restrictions stand out:

Oil	Gas
Companies with revenues >50% from exploration, extraction, transportation, refining, coking and oil-fired power generation, unless they promote energy transition with a robust transition strategy or operations are geared towards financing renewables.	Companies with income >50% from exploration, extraction/production, liquefaction, transport, regasification, storage and electricity generation with natural gas, unless they promote the energy transition with a solid transition strategy or operations are aimed at financing renewable energies.
Operations requested by new or existing customers, with medium-term maturity dates, the purpose of which is exploration, extraction, transport, refinery, coking or generating energy from oil.	Operations requested by new or existing customers, with long-term maturity dates, the purpose of which is the exploration, extraction, liquefaction, transport, regasification, storage or generation of electricity with natural gas.

In addition, for the coal sector, the 2030 coal phase-out has been approved.

Furthermore, CaixaBank will not assume credit risk in new projects related to the exploration, production or transportation of oil and gas in the Arctic region; exploration, production, processing or transportation of tar sands; exploration and production of oil and gas in deep water; exploration and production of shale oil and gas; extraction by fracking; construction, development or expansion of coal-fired power plants, nuclear power plants or uranium enrichment facilities, among others¹. The scope of the policy affects: **i)** companies with which it is considering establishing commercial relations, enter into new credit or guarantee operations or renew/renew negotiate existing ones, as well as other financing transactions; **ii)** companies in which it invests on its own accord in fixed-income and variable-yield securities; and **iii)** Group companies managed through the equity portfolio.

This analysis process, and within the framework of applying the Equator Principles, which CaixaBank signed up to in 2007, includes a review of issues related to the categorisation of and compliance with these principles.

From the approval of the first version of this policy in 2019 to the present date, CaixaBank is analysing its customer portfolio with higher inherent ESG risk to comply with ESG risk management commitments and, especially, of those exclusions envisaged in the policy related to the defence sector, high environmental risk or human rights (including workers' health and safety), among others. In other words, a holistic due diligence analysis is being carried out of customers with an ESG vision. Thus, during 2023, CaixaBank initiated a process of prioritisation of the customers in its portfolio, starting with customers linked to the defence and security sector and/or customers with tax domicile in high-risk countries from a sustainability perspective and/or customer with activities that generate a high environmental risk.

Additionally, in the process of customer admission and approval of financing operations, and provided that the requirements established for the implementation phase applicable at any given time are met, an analysis of ESG risks of the customers and the operations is performed to not only guarantee compliance of the aspects strictly defined in the policy, but also others related to the company's control environment in the ESG area, the existence or not of environmental and social controversies, its decarbonisation strategy, and compliance with the Equator Principles, where applicable. As a result of these analyses of ESG risks, CaixaBank issues sanctions that may be decisive for customer admission and the granting of financing operations to customers or project financing.

Furthermore, training is consistently provided in the Risk Approval Centres and Company centres with the aim of reporting on the circuits/controls implemented in the financing application process.

¹ See full details in: [Principles-ESG-Risks-Managing.pdf \(caixabank.com\)](#).

Management of ESG disputes

In 2023 CaixaBank approved, and updated in 2024, a new circuit for intragroup coordination in relation to serious ESG controversies linked to companies with which the Group has or seeks to have a position and which could potentially involve a violation of the Corporate Sustainability Risk Management Policy or other policies. To this end, a delegated working group of the Sustainability Committee has been set up to analyse and give an opinion on the seriousness of the potential violation. Alerts on potential controversies may come from external or internal sources. This working group analyses any alert that corresponds to issuers with which CaixaBank

has an active position on its own account (ALM, Treasury & Funding or Investees); has a contractual relationship; is a customer or is in the process of studying or is in the active positions of customers with advised portfolios. Following this analysis, the working group decides or submits for decision to the Sustainability Committee (or Management Committee) the seriousness of the controversy and proposes response strategies for each of the Group's units with a position in the company related to the controversy.



Equator Principles

The Equator principles were established to identify, assess and manage potential environmental and social risks, including those related to Human Rights, climate change and biodiversity.

/Scope

- > Project finance and project finance advisory services where total project capital costs are US\$10 million or more.
- > Project-related corporate loans with a total aggregate loan amount of at least US\$50 million and an individual commitment by CaixaBank of at least US\$50 million, and a loan term of at least two years.
- > Bonds linked to projects in an amount of at least US\$10 million.
- > Bridge Loans with a term of less than two years that are intended to be refinanced by project finance or a project-related corporate loan that meet the aforementioned criteria.
- > Refinancing and acquisition of Projects provided that they meet certain requirements (the original project was financed under the Equator Principles, there being no material changes in the scope of the project and it had not yet been completed when signing the facility).

CaixaBank voluntarily applies this procedure to syndicated operations with a term of 3 years or more and when CaixaBank's individual commitment is between €7 million and €35 million. The procedure also applies to other operations to finance investment projects with a minimum term of 3 years and a minimum amount of €5 million when the holder is a medium-sized, large or very large legal entity.

/Scope of application

- > Projects entailing potentially significant and irreversible risks or impacts for which no viable action plan can be envisaged, or which conflict with corporate values, are rejected.
- > In other instances, an independent expert is appointed to evaluate each borrower's social and environmental management plan and system. Projects are classified as category A, B or C according to the risks and potential impacts detected in the due diligence process carried out by teams from the commercial and risk areas, together with external experts.

In 2023, the Bank financed 10 projects for a total investment of €7,949 M, with a stake of €841 M. The assessment carried out to categorise the projects was performed with the support of an independent expert.

The operations financed are shown in the following table:

	2023		2022	
	Units	€M	Units	€M
Category A ¹	3	346	1	536
Category B ²	3	225	2	439
Category C ³	4	270	4	311
Total	10	841	7	1,286

1 Projects with significant potential environmental/social impacts.
2 Projects with limited and easily mitigated potential ESG impacts.
3 Projects with minimal or no adverse social or environmental impacts, including certain projects of financial intermediaries with minimal or no risks.



New scenario measurement and analysis framework:

/Qualitative scenario analysis

CaixaBank conducts qualitative scenario analyses for climate risks in the form of heat maps.

For transition risk, the **qualitative analysis** focuses on **identifying the segments potentially most affected by the transition risk** in sectors with portfolio material risks. Specifically, the analysis has been conducted for the most intensive sectors in emissions: oil and gas, electricity, aviation, maritime, automotive, residential and commercial real estate, cement, iron and steel, aluminium and agriculture and livestock. The greatest impacts are identified for these sectors by studying the main risk variables and establishing heat maps for different time horizons (2025, 2030, 2040 and 2050) for transition scenarios compatible with the Entity's decarbonisation commitments (1.5°C scenarios in geographies committed to zero net emissions in 2050). The heat maps for these sectors incorporate a granular analysis by activity at NACE level within each sector's value chain.

With regard to the **assessment of physical risks derived from climate change**, and given that Spain is one of the regions affected by these risks, a qualitative analysis has been carried out on the mortgage portfolio and the portfolio of legal entities according to the customers' economic activity. The impact on the individuals portfolio is considered to be of low materiality, given that mortgage guarantees are mainly located in low risk areas (urban environment). As for the effect of the climate events on the companies' financial statements, the probability of which depends on the location of production centres and the nature of the activity, the most impacted sectors are agriculture (droughts), construction (heat waves) and transport (coastal floods). Among the most exposed sectors in CaixaBank, construction is the one most subject to physical risks. Between the end of 2023 and early 2024, CaixaBank participated in the one-off analysis of the Fit-for-55 **climate risk scenario carried out by the EBA**. Its aim is to assess the resilience of the EU banking system to the potential impact of climate risks, in line with the mandate of the European Commission in the area of its Renewable Sustainable Finance Strategy.

/Development of a quantitative framework for measurement, monitoring and climate stress exercises

Since 2023, CaixaBank has a quantitative framework in place for measuring climate risks. During the first half of 2024, CaixaBank advanced in the improvement of its framework for measuring and forecasting risks, as part of the continuous development of its models. This framework enables forecasting and monitoring the impacts of climate risk on credit risk, with the aim of reinforcing the comprehensive process of assessing climate risks. This initiative is part of the materiality assessment and ensures a robust coherence in risk management.

This measurement framework includes the impacts of the main physical risks, including forest fires, riverine and coastal floods, droughts and heat waves, and it takes into account the impact and seriousness of the probability of these events on the value of mortgage guarantees and on the economic activity of customers. It also includes the impacts of 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 includes diverse scenarios and long-time horizons.

Specifically, models have been developed that provide the probability of default (PD) and loss given default (LGD) forecasted in the long term (2050) and under three scenarios (orderly transition, disorderly transition and hot house world).

This measurement framework is the basis for integrating climate risk in both capital requirements and the severely adverse scenario for the internal capital adequacy assessment process (ICAAP). This methodology has also allowed quantifying the

exposure potentially affected by climate risk with an impact on liquidity risk, the latter within the scope of the ILAAP. In the first half of the year, ICAAP, with reference date December 2023, was presented, and it includes for the first time the estimate of capital requirements due to climate risk.

At the same time, in 2023 extreme operational risk scenarios were developed that are linked to physical risk, assessing the potential damage of certain meteorological events to material assets; and transitional risks, through potential fines for non-compliance with sustainability disclosure regulations, both resulting in a limited impact.

/Data source used in the measurement

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

Customer information:

- > Internal by counterparty. 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 suppliers 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).
- > NGFS (Network for Greening de Financial System).
- > PCAF (Partnership for Carbon Accounting Financials).
- > EU's Earth Observation Programme, Copernicus.

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 have been developed, 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.





/Climate risk metrics

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. To that end, metrics related to climate risk are monitored. Since 2022, a metric has been incorporated into the Risk Appetite Framework (RAF) that aims to monitor the concentration of the portfolio in carbon-intensive sectors of the corporate segment, without prejudice to other key indicators that are internally monitored as a complement of the RAF.

Under Pillar 3, in addition to monitoring financed emissions, decarbonisation and sustainable mobilisation metrics, the Company monitors climate risk metrics in accordance with the EBA's mandate.

- > Exposures subject to transition risk by intensive sector;
- > Energy efficiency of the mortgage portfolio;
- > Exposures to the 20 leading carbon-intensive companies;

- > Exposures subject to physical risk; and;
 - > Other actions to mitigate climate change that are not covered in the EU taxonomy.
- Quantitative information on ESG risk metrics is detailed in section 8.1.4.

Financed emissions and decarbonisation targets

CaixaBank is measuring the emissions linked to its financing and investment (scope 3 of carbon footprint category 15), with a view to ascertaining the overall impact in terms of the financing activity's carbon footprint. This information enables CaixaBank to draw up decarbonisation pathways that allow achieving net zero emissions by 2050, in line with the commitment of the Net Zero Banking Alliance.

Information on these metrics can be found in table 8.39.



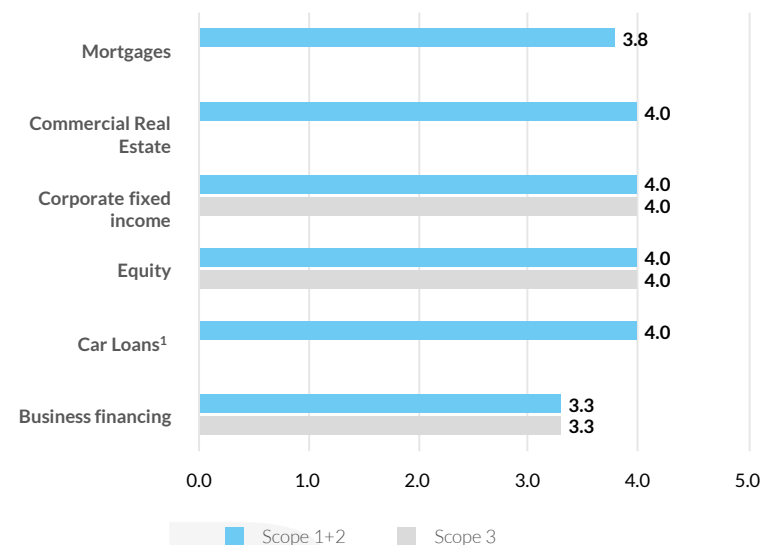
Calculation method

The calculation has been performed under a bottom-up approach following the methodology developed by PCAF and described in "The Global GHG Accounting and Reporting Standard for the Financial Industry":

- > 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.

PCAF establishes a ranking of the quality of the data used in the calculations of funded emissions, with a score of 1 for the highest quality data and a score of 5 for the lowest quality data. The data quality score by asset type is as follows:



¹ Corresponds only to Scope 1.

Decarbonisation targets

To date, 10 decarbonisation targets have been published. Furthermore, in CaixaBank the non-materiality of two other intensive sectors (aluminium and cement) has been determined from a point of view of decarbonisation Details of the

design decisions and other characteristics of each of the targets can be found in [the Bank's website \(Environment and climate strategy | CaixaBank\)](#).

Sector	Scope of emissions	Metric	Scenario	Base year	Base year metric	Reduction target (2030)	Target metric (2030)	Risk considered
Electricity	1	Physical intensity	IEA Net Zero 2050 ¹	2020	136 kg CO ₂ e/MWh	-30%	95 kg CO ₂ e/MWh	Exposure (granted limit)
Oil & Gas	1, 2, 3	Calculation of financed emissions	IEA Net Zero 2050 ¹	2020	9.08 Mt CO ₂ e	-23%	6.99 Mt CO ₂ e	Risk drawn down
Automotive	3 ²	Physical intensity	IEA Net Zero 2050 ¹	2022	154 g CO ₂ /vkm	-33%	103 g CO ₂ /vkm	Exposure (granted limit)
Iron and steel	1+2	Physical intensity	IEA Net Zero 2050 ¹	2022	1,230 kg CO ₂ e/t steel	-[10-20]%	1,107 - 984 kg CO ₂ e/t steel	Exposure (granted limit)
Thermal coal	N/A	Total exposure	N/A	2022	€2,845 M € (213 MM considering mitigating factors ³)	-100%	€0 M	Risk drawn down
Commercial real estate	1+2	Physical intensity	CRREM 1.5 CRE Iberian Peninsula	2022	20.5 kg CO ₂ e/m ²	-41%	12.1 kgCO ₂ e/m ²	Exposure (granted limit)
Residential real estate	1+2	Physical intensity	CRREM 1.5 RRE Iberian Peninsula	2022	23.57 kgCO ₂ e/m ²	-19%	19.03 kgCO ₂ e/m ²	Exposure (granted limit)
Maritime	1	alignment %	IMO 2018	2022	AD=11.9%	-11.9%	AD=0%	Risk drawn down
Aviation	1	Physical intensity	MPPU 1.5 ⁴	2022	102 gCO ₂ /RPK	-30%	71 gCO ₂ /RPK	Exposure (granted limit)
Agriculture and livestock	direct emissions (on-farm + food	Physical intensity	SBTI FLAG Commodity Pathways 1.5 ⁵	2022	Qualitative target focused on improving knowledge and profiling of individual customers and the sector in general.			N/A

¹ Net Zero by 2050. A Roadmap for the Global Energy Sector from May 2021.

² Includes Scope 3 category 11 emissions: tank-to-wheel.

³ Mitigating factors are considered to be phase-out commitments <=2030 or only renewable financing.

⁴ Carbon Risk Actual Estate Monitor.

⁵ Alignment Delta in accordance with the Poseidon Principles, excluding passengers.

⁶ Scenario of the International Maritime Organization (IMO), in accordance with the Poseidon Principles.

⁷ Mission Possible Partnership "Prudent" Scenario, in accordance with the Pegasus Guides.

⁸ Science Based Targets: Forest, Land and Agriculture.

Governance of decarbonisation targets

The decarbonisation targets have been approved by the governing bodies. A progress report is presented to the Sustainability Committee and the Global Risk Committee on a monthly basis. Additionally, both the Management Committee and the corresponding governing bodies (Appointments and Sustainability Committee, Risk Committee) are informed annually on the trend in metrics. At operational level,

groups have been created for the various business areas that meet on a weekly basis to review the operations with an impact on the NZBA metrics in accordance with annual management goals. The groups include to members from the areas of Environmental Risk Approval, Risk Management Function and Business and Climate Risk.



3.4.2. SOCIAL RISK

A. 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 Bank 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 2023 Management Report (page 19 – 21).

Through the issuance of social bonds, for a total of €5,000 million in 5 social bonds issued in the 2019-2023 period, the Company contributes to the development of society by fighting poverty and promoting employment creation in the most disadvantaged areas, cities and sustainable communities, promoting good health and well-being, quality education, gender equality and reduction of inequalities.

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

- > Committed to vulnerable groups: Commitment to providing personalised services to the community of Senior Citizens and not to abandon municipalities (≈360,000 customers with insertion, social and vulnerable basic payment accounts).
- > 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

- > CaixaBank considers the relationship with its employees as one of its main human rights responsibilities. The policies for the selection, management, promotion, remuneration and development of people are based on respect for sexual identity, gender expression, sexual orientation, ethnic origin, nationality, beliefs, religion, political opinion, affiliation, age, marital status, disability and other situations protected by law (like sensitive medical conditions, being part of the workers' representatives or due to the social context, among others), and avoid indiscriminate use of technology that could jeopardise the safety and equality of employees. Internal Audit checks that the Worker's Legal Representatives participate in the legally established processes, such as in the Equality or Occupational Risk Prevention Plan.
- > 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 June 2024 Consolidated Management Report.

Of the ESG targets, goals and limits of the Sustainable Banking Plan for 2024, one of the most relevant for the environmental strategy includes reaching 413,300 beneficiaries of MicroBank -CaixaBank Group's social bank-. With regard to the target of the percentage of women in managerial positions, in 2023, as a result of the update of the Equality Plan, the initial target set for 2024 of 42% to 43% was also updated, which was met in December 2023.

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 change¹.

¹ See the report Responsible Banking Principles in the section "UNEPIFI" of the Consolidated Management Report of December 2023.

B. 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.



C. 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 CIB and Business Banking customer segments for credit risk and a medium-low impact for reputational risk in all time horizons.

/ MATRIX OF SOCIAL RISK ANALYSIS

		SOCIAL 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	Low risk	Low risk	Low risk
	CONSUMPTION SEGMENT	N/A	N/A	N/A
 Other risks	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/STRATEGY	Low risk	Low risk	Low risk

Low risk Medium-low risk Medium 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 avoid any potential adverse impacts and, where applicable, mitigate them 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 Plan on Business and Human Rights.
- > OECD Guidelines for Multinational Enterprises.
- > The UN Universal Declaration of Human Rights.

For more information, see section "Ethical and Responsible Conduct" of CaixaBank's Consolidated Management Report of 2023.



3.4.3. GOVERNANCE RISK

A. 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 Group 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 the Group'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.

B. 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 at December 2023.



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, the update of which was approved by the Board of Directors in March 2024.

As a first step 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, conducts in the markets, anti-corruption policies, compliance with tax obligations or other conducts considered ethical by relevant stakeholders. The assessment of the impact of governance risk on credit risk stands out, which is linked to the damage that may result from inappropriate decision-making by counterparty governing bodies.

In this regard, the assessment conducted on the financial materiality of social risks has determined that there is a medium-low impact on the CIB and business segments for credit risk and medium-low impact on reputational risk **in the short, medium and long term.**

/ 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 risks	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/STRATEGY	Low risk	Low risk	Low risk

Low risk Medium-low risk Medium 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)



C. Methodology for assessing and sanctioning ESG risks when assessing customers and financing operations

Determination of the ESG risk level

As with other risks that affect CaixaBank, the need to assess the ESG risks of customers, operations and assets is initiated by assessing the inherent risk, which is estimated based on certain characteristics, such as the NACE that is most representative of the Group's activity, the country of residence when its of high ESG risk or the intended use of the funds.

ESG risk assessment process

The assessment of ethical matters, the strategy and risk management, inclusions, transparency, conflict management and internal communication regarding critical issues is conducted by means of ESG risk analyses that are integrated into the customer onboarding process (ESG onboarding) and the approval process for financing operations; for all customers and operations under the scope of the Corporate sustainability/ ESG risk management policy.

- a. In the customer onboarding process, an analysis of the ESG risk of customers is carried out to determine whether or not they comply with the criteria of this Policy relating to Human Rights, Health and Safety Policies, with a special focus on defence.
- b. In the approval process for financing operations, an analysis of the ESG risks associated with the customer's activity is carried out, which complements that carried out in the customer onboarding process and aims to ensure compliance with the Policy. If the financing is intended for specific projects, an assessment is carried out according to the type of asset to be financed.

As part of the analysis, consideration is given to environmental, social and governance risk, including aspects related to the company's ESG control framework and the existence or otherwise of ESG issues¹, decarbonisation strategy, as well as

compliance with the Equator Principles, if applicable. In other words, a holistic due diligence analysis is carried out of customers with an ESG vision.

For all customers and projects analysed, it is assessed whether environmental mitigation actions are in place to minimise or mitigate the environmental and social impacts arising from the activities.

To complete this analysis, information is consulted through public sources and external ESG information providers, especially for information on disputes in the criteria subject to exclusion in this Policy. In addition, a Disputes Working Group made up of ESG experts and the Reputational Risk Service has been set up.

CaixaBank makes the utmost effort to obtain sustainability information from its customers, and it also uses information from external ESG information providers as a basis for decision-making. However, CaixaBank still depends on the availability and reporting of updated and quality information.

If, during the analysis process, insufficient evidence is found to answer the various questions or if clarification with the customer is necessary, additional documentation or a signed statement from the customer may be requested, taking into account criteria of materiality and proportionality.

Consequences of ESG risk assessment

As a result of the ESG risk assessments, CaixaBank may determine a sanction that will be decisive for the onboarding of the customer (ESG Onboarding) and also for the granting of financing operations to customers or project financing (Environmental Risk Report).

In addition, the idiosyncratic component of each company is the most relevant in the governance risk's impact on credit risk; therefore, its assessment is included in the internal rating models applied by the Corporate Rating unit.

The CSRD will contribute to this rating process, as it will enable us to obtain more information on the customers' ESG risk management.

1 For example, disputes related to nature (biodiversity, land use, etc.), energy and climate change, water stress, pollution and waste, impact on local communities, human rights, civil liberties, child labour, discrimination, freedom of association, occupational health and safety, quality of products and services, consumer relations, supply chain management, anti-competitive practices, privacy and data security, fraud and bribery, controversial investments, governance structures or others related to the environmental, social or governance scopes.



08

Quantitative
Information
ESG Risk

8.1.4. 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, 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 as of December 2023 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 emissions as of December 2022.



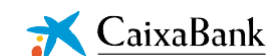
Table 8.39. Template 1: Banking book - Transition risk of climate change: Credit quality of exposures by sector, emissions and residual maturity

Amounts in millions of euros								
Sector/subsector	a	b	c	d	e	f	g	h
	Gross carrying amount					Accumulated impairment, negative changes accumulated in fair value due to credit risk and provisions		
		Of which, exposures to companies excluded from the EU Paris-aligned benchmarks indices ²	Of which environmentally sustainable (MCP)	Of which Stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures
1 Exposure to sectors that highly contribute to climate change¹	125,413	8,180	2,365	8,709	3,844	(2,383)	(245)	(2,017)
2 A - Agriculture, forestry and fishing	2,923	-	-	307	196	(117)	(12)	(105)
3 B - Mining and quarrying	588	93	-	14	16	(10)	-	(10)
4 B.05 - Mining of coal and lignite	-	-	-	-	-	-	-	-
5 B.06 - Extraction of crude petroleum and natural gas	94	92	-	-	-	-	-	-
6 B.07 - Mining of metal ores	70	-	-	-	1	(1)	-	-
7 B.08 - Other mining and quarrying	343	-	-	6	14	(9)	-	(9)
8 B.09 - Mining support service activities	81	-	-	7	-	-	-	-
9 C - Manufacturing	31,259	1,767	704	2,057	919	(510)	(55)	(434)
10 C.10 - Manufacture of food products	5,902	-	-	524	210	(91)	(11)	(74)
11 C.11 - Manufacture of beverages	1,496	-	-	82	29	(24)	(2)	(19)
12 C.12 - Manufacture of tobacco products	3	-	-	1	-	-	-	-
13 C.13 - Manufacture of textiles	384	-	-	69	28	(17)	(2)	(14)
14 C.14 - Manufacture of wearing apparel	297	-	-	16	25	(9)	(1)	(9)
15 C.15 - Manufacture of leather and related product	156	-	-	25	14	(8)	(1)	(7)
16 C.16 - Manufacture of wood and of cork products, except furniture; manufacture of articles of straw and plaiting materials	542	-	3	35	27	(17)	(1)	(15)
17 C.17 - Manufacture of pulp, paper and paperboard	1,082	-	28	67	17	(9)	-	(8)
18 C.18 - Printing and service activities related to printing	318	-	-	34	23	(14)	(2)	(12)
19 C.19 - Manufacture of coke oven products	1,466	1,466	252	101	-	(2)	(1)	-
20 C.20 - Manufacture of chemicals and chemical products	3,294	142	2	217	39	(34)	(4)	(27)

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Amounts in millions of euros		a	b	c	d	e	f	g	h
Sector/subsector		Gross carrying amount				Accumulated impairment, negative changes accumulated in fair value due to credit risk and provisions			
		Of which, exposures to companies excluded from the EU Paris-aligned benchmarks indices ²	Of which environmentally sustainable (MCP)	Of which Stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures	
21	C.21 - Manufacture of pharmaceutical products	1,153	–	–	90	29	(21)	(1)	(20)
22	C.22 - Manufacture of rubber products	780	2	–	88	20	(18)	(6)	(11)
23	C.23 - Manufacture of other non-metallic mineral products	1,658	–	5	110	56	(35)	(3)	(32)
24	C.24 - Manufacture of basic metals	1,341	–	130	58	144	(64)	(2)	(64)
25	C.25 - Manufacture of fabricated metal products, except machinery and equipment	1,663	–	–	205	97	(50)	(6)	(43)
26	C.26 - Manufacture of computer, electronic and optical products	778	–	–	25	6	(4)	(1)	(3)
27	C.27 - Manufacture of electrical equipment	677	156	8	23	27	(12)	(1)	(10)
28	C.28 - Manufacture of machinery and equipment n.e.c.	999	–	2	63	38	(21)	(1)	(20)
29	C.29 - Manufacture of motor vehicles, trailers and semi-trailers	5,528	–	198	76	31	(23)	(2)	(17)
30	C.30 - Manufacture of other transport equipment	932	–	76	47	3	(5)	(1)	(2)
31	C.31 - Manufacture of furniture	331	–	–	28	18	(11)	(3)	(8)
32	C.32 - Other manufacturing	263	–	–	49	31	(16)	(1)	(15)
33	C.33 - Repair and installation of machinery and equipment	216	1	–	23	8	(5)	(1)	(4)
34	D - Electricity, gas, steam and air conditioning supply	17,015	5,418	1,147	494	219	(122)	(10)	(108)
35	D35.1 - Electric power generation, transmission and distribution	14,122	2,581	1,123	493	217	(120)	(10)	(107)
36	D35.11 - Production of electricity	8,906	2,312	745	441	161	(95)	(8)	(84)
37	D35.2 - Manufacture of gas; distribution of gaseous fuels through mains	2,879	2,837	24	–	1	(1)	–	(1)
38	D35.3 - Steam and air conditioning supply	14	–	–	1	1	(1)	–	–
39	E - Water supply; sewage, waste management and remediation activities	2,364	–	24	74	14	(13)	(4)	(8)
40	F - Construction	10,096	1	162	728	638	(404)	(31)	(375)

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Amounts in millions of euros		a	b	c	d	e	f	g	h
Sector/subsector		Gross carrying amount				Accumulated impairment, negative changes accumulated in fair value due to credit risk and provisions			
		Of which, exposures to companies excluded from the EU Paris-aligned benchmarks indices ²	Of which environmentally sustainable (MCP)	Of which Stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures	
41	F.41 - Construction of buildings	4,617	1	44	427	324	(240)	(17)	(221)
42	F.42 - Civil engineering	2,640	-	74	96	123	(53)	(4)	(52)
43	F.43 - Specialised construction activities	2,839	-	44	204	191	(111)	(10)	(102)
44	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	20,655	130	51	1,732	866	(548)	(63)	(476)
45	H - Transport and storage	16,481	771	232	878	315	(262)	(22)	(233)
46	H.49 - Land transport and transport via pipelines	6,187	771	40	234	82	(62)	(8)	(46)
47	H.50 - Water transport	2,259	-	-	26	10	(16)	-	(8)
48	H.51 - Air transport	1,123	-	16	48	51	(15)	(1)	(14)
49	H.52 - Warehousing and support activities for transportation	5,167	-	176	565	168	(168)	(12)	(164)
50	H.53 - Postal and courier activities	1,745	-	-	4	4	(2)	-	(2)
51	I - Accommodation and food service activities	9,488	-	-	1,377	383	(184)	(28)	(152)
52	L - Real estate activities	14,546	-	45	1,048	279	(213)	(20)	(116)
53	Exposure to sectors other than those that highly contribute to climate change ¹	23,287	5	224	1,465	762	(1,066)	(118)	(647)
54	K - Financial and insurance activities	2,592	-	59	41	11	(9)	(1)	(4)
55	Exposure to other sectors (M-U NACE codes)	20,696	5	165	1,423	751	(1,057)	(117)	(643)
56	TOTAL	148,701	8,185	2,589	10,174	4,606	(3,448)	(363)	(2,664)

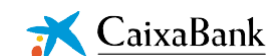
(1) In accordance with Commission Delegated Regulation (EU) 2020/1818, supplementing Regulation (EU) 2016/1011 regarding minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks - Climate Benchmark Standards Regulation - Considering 6: Sectors listed in Sections A to H and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

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

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Sector/subsector	i	j	k	l	m	n	o	p
	Financed GHG emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tonnes of CO ₂ equivalent)	Of which Scope 3 financed emissions	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
1 Exposure to sectors that highly contribute to climate change¹	70,902,046	43,878,424	15.56%	82,692	22,161	16,388	4,171	5
2 A - Agriculture, forestry and fishing	3,088,501	912,556	1.80%	1,611	877	389	45	5
3 B - Mining and quarrying	3,293,325	226,818	—%	451	126	4	6	4
4 B.05 - Mining of coal and lignite	39,935	58	—%	—	—	—	—	2
5 B.06 - Extraction of crude petroleum and natural gas	122,526	48,166	0.06%	82	12	—	—	4
6 B.07 - Mining of metal ores	149,105	54,535	—%	68	1	—	—	2
7 B.08 - Other mining and quarrying	307,242	67,860	—%	220	112	4	6	4
8 B.09 - Mining support service activities	2,674,516	56,198	—%	81	—	—	—	1
9 C - Manufacturing	26,150,160	21,487,103	21.84%	25,415	4,563	819	462	3
10 C.10 - Manufacture of food products	6,130,460	5,473,200	8.12%	4,884	851	113	54	3
11 C.11 - Manufacture of beverages	441,619	347,232	—%	925	510	49	12	4
12 C.12 - Manufacture of tobacco products	527	393	—%	3	—	—	—	2
13 C.13 - Manufacture of textiles	153,514	125,585	—%	327	37	14	6	2
14 C.14 - Manufacture of wearing apparel	84,378	67,563	—%	265	22	7	4	2
15 C.15 - Manufacture of leather and related product	80,057	65,756	—%	129	20	2	5	2
16 C.16 - Manufacture of wood and of cork products, except furniture; manufacture of articles of straw and plaiting materials	199,425	141,740	—%	399	118	14	10	3
17 C.17 - Manufacture of pulp, paper and paperboard	460,556	323,695	—%	1,020	56	3	2	3
18 C.18 - Printing and service activities related to printing	87,215	61,075	—%	228	63	18	8	4
19 C.19 - Manufacture of coke oven products	7,032,138	6,092,411	73.42%	1,042	356	51	18	3
20 C.20 - Manufacture of chemicals and chemical products	2,422,347	1,883,424	21.38%	2,827	292	126	49	3

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	Sector/subsector	i	j	k	l	m	n	o	p
		Financed GHG emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tonnes of CO ₂ equivalent)	Of which Scope 3 financed emissions	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
21	C.21 - Manufacture of pharmaceutical products	230,033	162,547	—%	1,024	111	13	5	3
22	C.22 - Manufacture of rubber products	473,243	340,222	—%	571	168	25	16	4
23	C.23 - Manufacture of other non-metallic mineral products	1,450,060	494,145	0.30%	1,416	206	9	28	3
24	C.24 - Manufacture of basic metals	1,407,424	887,137	36.92%	1,231	84	8	18	2
25	C.25 - Manufacture of fabricated metal products, except machinery and equipment	684,135	600,857	2.83%	1,313	277	48	26	3
26	C.26 - Manufacture of computer, electronic and optical products	617,310	493,575	0.08%	170	597	4	6	6
27	C.27 - Manufacture of electrical equipment	342,994	265,172	0.02%	481	181	9	6	3
28	C.28 - Manufacture of machinery and equipment n.e.c.	228,132	195,351	0.16%	806	171	11	12	3
29	C.29 - Manufacture of motor vehicles, trailers and semi-trailers	2,896,220	2,826,978	64.78%	5,066	264	55	145	2
30	C.30 - Manufacture of other transport equipment	484,003	457,636	26.94%	643	73	210	6	15
31	C.31 - Manufacture of furniture	86,376	61,618	—%	262	47	16	6	3
32	C.32 - Other manufacturing	74,899	54,513	—%	221	21	5	15	3
33	C.33 - Repair and installation of machinery and equipment	83,094	65,275	0.03%	163	38	11	4	3
34	D - Electricity, gas, steam and air conditioning supply	15,870,977	6,603,366	43.20%	10,496	1,198	5,003	318	7
35	D35.1 - Electric power generation, transmission and distribution	3,723,581	2,504,357	38.97%	7,812	1,093	4,901	316	8
36	D35.11 - Production of electricity	1,723,683	1,186,379	19.15%	3,229	1,038	4,509	130	10
37	D35.2 - Manufacture of gas; distribution of gaseous fuels through mains	11,735,586	3,976,917	70.93%	2,675	101	101	1	4
38	D35.3 - Steam and air conditioning supply	411,810	122,092	—%	9	4	1	—	4
39	E - Water supply; sewage, waste management and remediation activities	487,107	202,648	3.38%	1,869	243	243	9	4
40	F - Construction	2,202,270	1,835,161	11.17%	6,009	1,147	1,561	1,379	8

Sector/subsector	i	j	k	l	m	n	o	p
	Financed GHG emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tonnes of CO ₂ equivalent)	Of which Scope 3 financed emissions	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
41 F.41 - Construction of buildings	699,138	592,138	3.54%	1,780	579	1,089	1,169	12
42 F.42 - Civil engineering	519,267	423,997	29.16%	1,938	335	267	100	5
43 F.43 - Specialised construction activities	983,865	819,026	5.62%	2,291	232	205	111	4
44 G - Wholesale and retail trade; repair of motor vehicles and motorcycles	12,677,859	10,149,005	4.41%	16,587	2,336	1,140	592	3
45 H - Transport and storage	6,246,320	1,786,546	12.04%	9,871	4,325	1,791	494	5
46 H.49 - Land transport and transport via pipelines	2,005,088	654,972	22.26%	4,626	1,025	446	90	4
47 H.50 - Water transport	1,832,720	392,431	—%	360	1,034	492	373	8
48 H.51 - Air transport	816,945	236,650	17.32%	322	690	105	6	7
49 H.52 - Warehousing and support activities for transportation	1,506,232	443,923	3.45%	3,104	1,295	745	22	5
50 H.53 - Postal and courier activities	85,335	58,568	—%	1,459	281	3	2	3
51 I - Accommodation and food service activities	755,616	599,840	2.75%	4,043	3,108	2,158	179	7
52 L - Real estate activities	129,912	75,382	3.88%	6,340	4,240	3,280	686	5
53 Exposure to sectors other than those that highly contribute to climate change ¹				16,668	3,392	1,978	1,250	4
54 K - Financial and insurance activities				1,670	287	273	361	4
55 Exposure to other sectors (M-U NACE codes)				14,997	3,105	1,705	889	4
56 TOTAL	70,902,046	43,878,424	15.56%	99,360	25,553	18,366	5,422	5

(1) 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.

(2) 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 the table 8.39. 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 €125,413 million, which represents 84% 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 €23,287 million, 16%.
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 2020. 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.

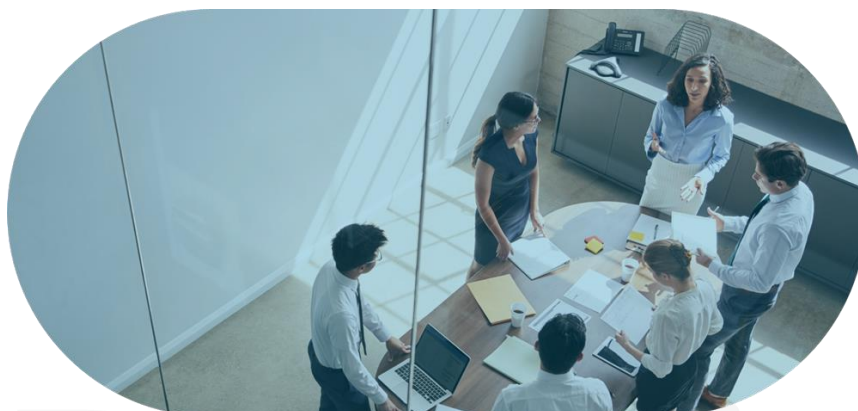
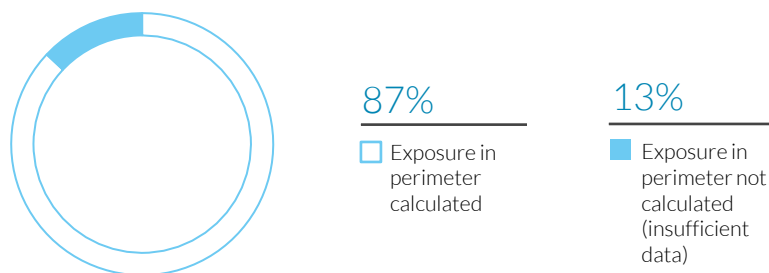
- > **Companies that derive more than 50%** of their revenues from the exploration, extraction, manufacturing or distribution of gaseous fuels.
- > **Companies that derive more than 50%** of their revenues from electricity generation with a GHG intensity of more than 100 g CO₂ e/kWh.

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. The exposures excluded from the EU-Paris benchmark indices represent 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 as of 30 June 2024 of CaixaBank, S.A., CaixaBank Payments and Consumer, S.A. and Banco BPI 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 87% 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 2023, due to:

- > They refer to different perimeters. The calculation of June 2024 incorporates CaixaBank, S.A., CaixaBank Payments and Consumer and Banco BPI.
- > The PCAF 2 emission factors have been updated in the calculation of June 2024. These exogenous emission factors underwent a very substantial increase, especially for some specific economic activities (NACE) whose intensity (tCO2e/revenue) rose by a factor of 100, 1000 or more compared to the 2022 PCAF emission factors. This has resulted in an increase of financed emissions in the affected sectors, regardless of the exposure's evolution.
- > The percentage of companies for which actual emissions data is used has been raised.

A. Energy efficiency

Below is information, as at June 2024, 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 8.40. Template 2: Banking book - transition risk of climate change: Loans secured by immovable property - Energy efficiency of collateral

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
Total gross carrying amount (in M)		Energy efficiency level (EP measurement in kWh/m ² of collateral)							Energy efficiency level (collateral EPC)							No collateral EPC	
Counterparty sector		0; ≤ 100	> 100; ≤ 200	> 200; ≤ 300	> 300; ≤ 400	> 400; ≤ 500	> 500		A	B	C	D	E	F	G		Of which estimated level of energy efficiency (EP measurement in kWh/m ² of collateral)
1	Total area of the EU	170,909	31,252	57,285	38,700	9,468	1,364	1,434	4,310	4,062	3,279	8,015	26,903	5,668	7,624	111,048	71.72%
2	Of which loans secured by commercial immovable property	22,271	2,996	2,716	1,815	432	171	223	1,374	1,384	871	794	857	236	205	16,551	15.91%
3	Of which loans secured by residential immovable property	145,020	28,077	53,656	36,001	8,771	1,147	1,184	2,932	2,673	2,340	7,106	25,562	5,318	7,191	91,897	82.39%
4	Of which guarantees obtained by taking possession: residential and commercial immovable property	3,619	179	913	883	265	46	27	4	6	69	114	484	114	228	2,600	49.80%
5	Of which estimated level of energy efficiency (PE measurement in kWh/m ² of collateral)	79,642	15,860	34,670	23,718	5,176	173	44								79,642	100.00%
6	Total area outside the EU	139	-	-	-	-	-	-	-	-	-	-	-	-	-	139	-
7	Of which loans secured by commercial immovable property	139	-	-	-	-	-	-	-	-	-	-	-	-	-	139	-
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/m ² of collateral)	-	-	-	-	-	-	-								-	-

Following the EBA/ITS/2022/01 guidelines, in table 8.40. 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 and its energy efficiency level, indicated in the energy certificate (EPC).

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 as of 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 by m² 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 use.

With the aim having available the maximum amount of information based on actual EPCs, CaixaBank compiles periodically, 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. 84.8% of these are secured with residential properties.

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, CaixaBank has actual information based on the EPC for 35% of the portfolio. As at 2023 year-end, actual data was available for 26% thereof. This 9% increase reflects the improvements introduced by the bank in the regular collection of certificates. It has been estimated for the rest of the properties. 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).



B. Alignment metrics

The following table includes 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). In cases where there is a different baseline scenario, it is detailed in each sector's calculation methodology.

The bank published its first decarbonisation targets for 2030 for the following sectors in October 2022: oil and gas and electricity. In 2023, targets were published for the following sectors: coal, iron and steel and automotive; and the exposure of the

investment portfolio of CaixaBank, S.A. and the exposure of the loan and investment portfolio of Banco BPI were included in the goals for the electricity and oil & gas sectors (initially defined for CaixaBank's loan portfolio), in line with the rest of the sectors. In 2023, the metric for the oil & gas sector has also been redesigned in order to base it on the risk drawn rather than the risk granted. This modification avoids the over-attribution of funded issues that would result from basing it on the risk granted. The applied approach is consistent with the PCAF methodology of calculating funded issues and facilitates comparison with the metrics used by the majority of benchmark peers, which are mostly

applying this approach. The other characteristics of the metric, including the level of ambition, remain unchanged.

Further to the NZBA commitment, in April 2024 CaixaBank published 2030 decarbonisation targets for five new sectors: real estate (residential and commercial), maritime, aviation and agriculture and livestock.

Furthermore, it determined the non-materiality of the aluminium and cement portfolio. These are sectors for which a portfolio monitoring strategy has been established.



The sectors in which the 2030 decarbonisation targets have been published are shown below:

Table 8.41. Template 3: Banking book - transition risk of climate change: Alignment metrics

a	b	c	d	e	f	g
Sector	NACE sectors (minimum)	Gross carrying amount of the portfolio (€M)	Alignment metric ⁽²⁾	Reference year	Distance from IEA NZE2050 in % ⁽¹⁾	Target (reference year + 3 years) ⁽³⁾
1 Electricity	3513, 3514, 3515, 3516, 3517, 3518, 3519	13,570	118 kg CO ₂ e/MWh	2022	(14)%	116 CO ₂ e/MWh
2 Oil & Gas	610, 620, 910, 1920, 3521, 3522, 3523, 4671, 4730, 4950	7,380	7.4 Mt CO ₂ e	2022	6%	8.0 Mt CO ₂ e
3 Automotive	2,910	3,626	154 g CO ₂ /vkm	2022	49%	135 g CO ₂ /vkm
4 Aviation		3,098	102 g CO ₂ /RKP	2022	43%	90 g CO ₂ /RKP
5 Sea transport		3,408	11.9%	2022	12%	7.4%
6 Production of cement, clinker and lime						
7 Production of iron and steel, coke and metal ores	2410, 2420, 2431, 2432, 2433, 2434, 2451, 2452, 2511, 2550, 2591, 2593, 2594, 2599	1,607	1,230 kg CO ₂ e/t steel	2022	34%	1,138 kg CO ₂ e/t steel
8 Chemical						
9 Coal		347	€2,845 M	2022	99%	€1,441 M
10 Commercial management of properties		18,558	20.5 kg CO ₂ e/m ²	2022	69%	17.4 kg CO ₂ e/m ²
11 Loans secured by immovable property		2,570	23.6 kg CO ₂ e/m ²	2022	24%	21.9 kg CO ₂ e/m ²

(1) Distance of PIT to the 2030 NZE2050 scenario in % (for each metric). The distance with respect to CaixaBank's 2030 target is reported for sectors whose baseline scenario was not that proposed by the IEA.

(2) The alignment metric is based on the total granted for the loan portfolio in the decarbonisation perimeter; see details in the CaixaBank's 2021 - June 2023 Climate Report.

(3) CaixaBank's public objective is for 2030.

/ Oil and gas sector

The objective for the Oil and gas sector is based on the exposure provided, and it has been established using a sub-group of NACEs based on a materiality analysis and exposure. This analysis includes NACEs 610, 620, 910, 1920, 3521, 3522, 3523, 4671, 4730, 1910 and 4950 and excludes NACEs 2014 and 4612, as they are covered by Scope 3 emissions of the other activities. 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).

CaixaBank has set a decarbonisation target through an absolute financed emissions metric, in line with industry expectations. The redesigning of the metric carried out in 2023 (absolute emissions based on the risk drawn, previously the risk granted) has led to the need to re-estimate the metric of both the base year and the end point to 2030, while keeping the percentage reduction target unchanged (-23% to 2030). The metric has been impacted by its redesign and the incorporation of the BPI portfolio (0.5 MtCO₂e) and the investment portfolio. The metric falls from 26.9 MtCO₂e at the base year to 9.1 MtCO₂e and from 20.7 MtCO₂e to 7.0 MtCO₂e at endpoint, while the reduction ambition level of 23% is maintained.

The alignment of this metric for fossil fuels of the IEA is currently of 30%, which represents a higher percentage than that set by CaixaBank for the oil and gas sector (-23% at 2030). This is mainly due to the extension of the scope indicated by the IEA to all fossil fuels, which does not fit exactly with the perimeter specified by CaixaBank in its target metric.

/ Electricity sector

In the electricity sector, in line with the recommendations of the UNEP FI Guidelines for Target Setting, the emissions reduction target has been set using the portfolio's physical intensity (kgCO₂e/ MWh) as a metric based on the exposure granted, thus enabling better support for customers in their transition to fossil fuel free generation.

The objective has been established using a sub-group of NACEs based on a materiality analysis in terms of emissions and exposure. This analysis includes NACEs 2446, 3511, 3512, 3513, 3514 and excludes NACEs 2712, 251, 3314 and 4321, as CaixaBank considers that they are not representative of the assessed electricity sector. However, it includes NACE 2446 within the scope of the objective, which is considered relevant.

CaixaBank's target 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. The gross carrying value of the portfolio shown in the table corresponds to the aggregate exposure of the companies within the scope, as specified in the previous paragraphs.

CaixaBank's distance to the IEA's 2030 target in the electricity sector is -14%, as our starting point in the base year (2020) is already lower than the intensity ratio for 2030 established by the IEA's decarbonisation path (156 kg CO₂e/MWh). However, even starting at a point below the IEA target for 2030, CaixaBank aspires to continue reducing the intensity of electricity generation emissions in its portfolio to 95 kgCO₂e/MWh, which represents 30% with respect to base year (2020).

/ Coal sector

In July 2023, CaixaBank announced its commitment to phase-out coal by 2030: CaixaBank will cease to finance companies related to thermal coal reducing its exposure to zero by 2030 ("phase-out"). As part of its ambition to be a benchmark for sustainability in Europe, CaixaBank continues to make progress in setting decarbonisation targets consistent with its commitment as a founding member of the Net Zero Banking Alliance, while aligning itself with the recommendation of the United Nations International Panel on Climate Change (IPCC) to limit the global temperature increase to a maximum of 1.5 °C. CaixaBank will continue to finance the energy transition to a carbon-neutral economy and provide support to customers with an exit strategy from thermal coal up to 2030.

/ Automotive sector

Within the automotive sector's value chain, the decarbonisation target has focused on the manufacturing segment and, specifically on the Original Equipment Manufacturers (OEMs) for light vehicles, concentrated in NACE 2910. Scope 3 category 11 tank-to-wheel emissions, which are those produced by a vehicle when in use, are also taken into account. By far the most relevant emissions for this link in the value chain are tank-to-wheel emissions.

The metric selected for this sector is an intensity metric that describes the emissions efficiency per km travelled over its lifetime by a vehicle manufactured by the OEM (gCO_2/vkm). This metric supports the sector's transition in line with CaixaBank's Strategic Plan.

As regards the automotive sector's target, the distance to the IEA's 2030 target is of 49%. This percentage reduction is higher than the target set by CaixaBank for this sector (-33%) due to the different scope in terms of the sector's definition and, especially, the type of emissions considered in the CaixaBank metric, which do not run through the same path of decarbonisation.



/ Iron and steel sector

The scope determined for this sector comprises the Iron and Steel Manufacturing segment, including smelters and integrated groups (smelting + transformation), which is the manufacturing stage that concentrates most of the emissions and is considered by NACEs 2410, 2420, 2431, 2432, 2433, 2434, 2451, 2452, 2511, 2550, 2591, 2593, 2594, 2599.

The methodology, which is aligned with market best practice and the Sustainable Steel Principles, takes into account an emissions intensity metric of Scope 1 and 2 per tonne of steel produced. In this sector, the production process is especially intensive, making emissions from the use of the final product and its upstream supply chain less relevant in comparison.

In view of the relatively low exposure in this sector and its high concentration in a few counterparties, the current technological limitations of a hard-to-abate sector and the uncertainty of methodological and scenario changes, it was decided to set a target in the form of a range between 10% – 20%. The range acknowledges the difficulty implicit in the decarbonisation of this sector, which leads it to consider a certain level of prudence in terms of the management margin for decarbonising the portfolio. Nonetheless, CaixaBank is also aware of the existence of certain levers for decarbonising its portfolio, which depend substantially on the ambition of its main customers. Through engagement and portfolio rebalancing processes, CaixaBank will pursue an intermediate target compatible with the 1.5°C target. Thus, the range set expresses CaixaBank's ambition, given that it incorporates, in its low range, the arrival level determined by the IEA's NZE.

Given all the particularities of this sector and of the bank's portfolio, as indicated above, the distance to the IEA's 2030 target is of 34%.

/ Commercial real estate sector

The Commercial real estate sector is a complex sector and, to date, the availability of actual emissions data remains limited, which is why alignment calculations are largely based on proxies. Furthermore, in this sector, the geographical distribution of the portfolio is especially significant in terms of climate zones, so that the reference paths must take this geographical distribution into account when setting targets.

In light of these circumstances, CaixaBank has set an ambitious target for the sector, in line with science-based targets. Meeting the target is in turn conditional upon meeting the energy efficiency and energy mix projections of the PNIEC (Integrated National Energy and Climate Plan) (also in the draft of the future PNIEC, Fit for 55, etc.). NACEs 6810, 6832, 6831, 4110 and 6820 have been considered.

The focus is on decarbonising the "use" phase of the property, where 85% of greenhouse gas emissions are produced; therefore, the perimeter only includes the owners (groups with non-residential activity).

The methodology adopted considers Scope 1 emissions, direct emissions from fuel combustion in the property (e.g. heating) and Scope 2, indirect emissions from purchased energy (electricity, steam, heat and cooling).

A physical intensity (kgCO₂e/m²) metric has been calculated. It incentivises exposure to relatively more emission efficient assets and facilitates comparison between assets of different sizes.

In this sector, the path of reference has been the CRREM (Carbon Risk Real Estate Monitor) 1.5° REC scenario pro-rated by asset type of the non-residential stock in Spain and Portugal (principal geographical areas in which the assets in the perimeter are located).

Taking into account the aspects mentioned in relation to the availability of real data and certain dependencies on exogenous factors (such as the PNIEC), a target of a 41% reduction in the intensity metric by 2030 is established.



/ Residential real estate sector

Given the specific characteristics of the residential real estate segment (its social sensitivity, long maturity periods and dependence on exogenous levers for its transformation: regulatory requirements and public aid to enhance energy efficiency), the target set for the Residential Real Estate Sector is prudent in relation to the CRREM reference path.

In any case, and in order to achieve the stated reduction, CaixaBank will have to leverage the changes arising from government policies and environmental and climate regulations, as well as changes in consumer behaviour, forming part of and contributing to the collective effort required for the transition to a zero-emission net economy. Furthermore, specific products are being launched to finance energy-efficient retrofits.

The focus is on the use of the home: mortgage lending to individuals for the purpose of a "house purchase". 85% of the emissions in the residential real estate value chain are concentrated here.

The methodology adopted considers that Scope 1 (direct emissions from combustion in housing, e.g. heating) and 2 (indirect emissions from purchased energy consumption) account for most of the emissions; Scope 3 emissions are very limited.

A physical intensity ($\text{kgCO}_2\text{e}/\text{m}^2$) metric has been calculated. It incentivises exposure to relatively more emission efficient assets and facilitates comparison between assets of different sizes.

The path of reference has been the CRREM 1.5°C for Spain and Portugal, specific to the real estate sector for the EU. In light of the specific sensitivities of the residential real estate sector and the design decisions indicated, a prudent 2030 intensity metric reduction target of 19% is set.

/ Maritime sector

The target for the maritime sector has been calculated in line with the methodology of the Poseidon Principles, to which CaixaBank adhered in 2022.

For the purposes of the Poseidon Principles, climate alignment is defined as the degree to which the carbon intensity of a vessel, product or portfolio is in line with a decarbonisation trajectory that meets the International Maritime Organization (IMQ) target. This metric is known as Alignment Delta (AD%).

The scope of the target initially excludes passenger vessels (fast ferries and cruise ships) owing to methodological inconsistencies and errors in the alignment paths affecting this asset class, which are being assessed globally in the framework of the Poseidon Principles.

The design of the target for this sector will be further adjusted in the framework of the Poseidon Principles.

The segment to be decarbonised is the Owner/Operator (port-to-port cargo transfer), as 'use' concentrates most of the emissions (approx. 92% of all emissions in the value chain).

Scope 1 emissions have been considered: emissions from fuel consumption during shipping. These are the most material emissions in the sector and are currently covered by the Poseidon Principles.

An Alignment Delta (AD%) metric has been calculated, i.e. the degree of alignment with the underlying decarbonisation trajectory in accordance with the IMO target.

The path of reference is IMO's initial scenario (2018), aligned with the 2°C target, which aims for a 50% reduction in emissions in 2050 compared to the base year 2008. The path is currently being updated under the Poseidon Principles. A target of a 19% reduction in the intensity metric by 2030 is established.

/ Aviation sector

The target for this sector was calculated in line with the Pegasus methodology, a standard to which CaixaBank has adhered for 2024.

In view of the limited availability of technical data at individual asset level (type of aircraft, type of cargo, flight hours, type of fuel, etc.), the scope of the target initially focused on corporate financing to airlines, excluding asset finance and lessors. CaixaBank will extend the scope of the metric to these assets to the extent that the information becomes available, so it is foreseeable that the baseline and the level of arrival will also be adapted.

The segment to be decarbonised is the owner/operator segment (passenger/cargo transport and airlines), as most of the sector's greenhouse gas emissions (>90%) are concentrated in the aircraft operating phase.

Scope 1 emissions (tank-to-wake approach) have been considered: emissions from in-flight fuel consumption. These are by far the most relevant emissions in the value chain.

A physical intensity (gCO₂e/RPK2) metric has been calculated. It describes greenhouse gas emissions per kilometre travelled in the year (passenger approach).

The path of reference is the Mission Possible Partnership "Prudent" 1.5° (MPPU 1.5°) scenario, aligned with the Pegasus methodology.

In light of the design decisions indicated, a 2030 intensity metric reduction target of 30% is set.

/ Agricultural and livestock sector

In order to set a decarbonisation target for this sector, CaixaBank has conducted an exhaustive analysis of its agricultural and livestock portfolio, which has made it possible to:

- > Understand and segment the structure of the portfolio in terms of materiality and carbon intensity;
- > Identify the main information gaps; and
- > Understand the heterogeneity of the paths for each of the products in the portfolio.

The production segment is the most emissions-intensive. In CaixaBank's portfolio, livestock farming, chiefly pigs and cattle, accounts for most of the sector's emissions. Conceptually, they are also regarded as integrated companies (processing/distribution and production).

"On-farm" emissions (enteric fermentation, manure management and energy consumption) and feed (feed production) are included, the majority of emissions in this sector[1].

A physical intensity (kgCO₂e/kg of meat) metric, aligned with the methodology SBTi FLAG, has to be calculated.

The path of reference is SBTi FLAG Commodity Pathways 1.5°C, a scenario with sufficient granularity and aligned to the 1.5°C target.

However, in view of the low maturity of global methodologies and the low availability of homogeneous and comparable data, it is currently neither prudent nor realistic to set a quantitative target. A qualitative target focused on improving the knowledge and profiling of individual customers and the sector in general has been chosen.

/ Cement and aluminium sectors

CaixaBank's aggregate exposure to the cement and aluminium sectors, both in terms of credit exposure and absolute financed issues, does not exceed 1% of the bank's total portfolio of companies with a credit profile. Given the non-NZBA materiality of these sectors, it has been determined:

- > Not to set decarbonisation targets for the cement and aluminium sectors.
- > To monitor the relative exposure and, should the individual exposure of any of the sectors represent more than 1% of the total portfolio of non-financial companies for three consecutive months, consideration will be given to addressing the setting of the Net Zero target.

1 Given the idiosyncrasies of the agricultural sector, the differentiation of scopes 1, 2 and 3 is analytically less useful than in other sectors. This is why the terms direct emissions and indirect emissions are used in the context of agricultural holdings



C. Exposure to the 20 most polluting companies

The table below shows aggregate information 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 8.42. Template 4: Banking book - transition risk of climate change:
Exposures to the 20 leading carbon-intensive companies

	a	b	c	d	e
	Gross carrying amount (aggregate)	Gross carrying amount versus counterparties compared to the total gross carrying amount (aggregate) ¹	Of which environmentally sustainable (MCP)	Weighted average maturity	Number of 20 leading polluting companies included
1	658	0	-	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.

As at the end of June 2024, we continue to have exposure in five of the 50 most polluting companies. However, the reduction of exposures in four companies involves a total drop of 9.7%, standing at €658 million.

D. 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.

Table 8.43. Template 5: Banking book - Physical risk of climate change: Exposures subject to physical risk

a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	
Gross carrying amount (million EUR)															
Variable: Geographical area subject to physical risk due to climate change - acute and chronic events	of which exposures sensitive to the impact of physical events of climate events														
	Breakdown by 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	Accumulated impairment, negative changes accumulated in fair value due to credit risk and provisions				
	<= 5 years	> 5 years <= 10 years	> 10 years <= 20 years	> 20 years	Weighted average maturity						Of which Stage 2 exposures	Of which non-performing exposures			
1	A - Agriculture, forestry and fishing	2,923	1,328	544	79	29	4	24	1,924	33	165	95	(71)	(8)	(56)
2	B - Mining and quarrying	588	38	3	0	2	4	2	42	0	1	2	(2)	(0)	(2)
3	C - Manufacturing	31,259	654	138	181	11	4	375	539	70	67	53	(43)	(3)	(37)
4	D - Electricity, gas, steam and air conditioning supply	17,015	40	46	66	1	9	46	107	0	6	44	(21)	(0)	(20)
5	E - Water supply; sewage, waste management and remediation activities	2,364	137	31	0	0	4	98	71	-	1	0	(0)	(0)	(0)
6	F - Construction	10,096	524	129	175	53	6	345	492	43	69	85	(61)	(3)	(54)
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	20,655	474	84	72	14	4	454	175	15	49	40	(24)	(1)	(21)
8	H - Transport and storage	16,481	11	8	8	1	7	24	4	-	5	3	(1)	(0)	(1)
9	L - Real estate activities	14,546	198	221	154	20	8	540	50	2	64	29	(20)	(1)	(17)
10	Loans secured by residential immovable property	145,020	316	1,193	4,167	5,090	19	7,449	3,157	160	893	311	(153)	(21)	(126)
11	Loans secured by commercial immovable property	22,409	303	433	704	107	10	1,332	193	22	176	132	(69)	(3)	(64)
12	Guarantees recovered	3,619	0	0	0	249	0	180	62	6	-	-	(58)	-	-
13	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.

CaixaBank discloses in this template only physical risk associated with exposures located in the territory of Spain and Portugal.

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 6% of the exposure.



E. Green asset ratio (GAR)

In 2020, the European Parliament and the EU Council adopted Regulation (EU) 2020/852, in relation to the Taxonomy, which establishes uniform and common criteria in the European Union to determine if an economic activity can be considered environmentally sustainable.

As for CaixaBank, the main indicator for measuring this alignment is the Green Asset Ratio (GAR), which establishes the percentage of assets covered by the banking group that are used for activities that meet the criteria of the Taxonomy. The GAR is the ratio of the volume of assets intended for activities that meet the requirements of the Taxonomy and the assets covered.

/ Considerations

To correctly interpret the published results, it is important to take the following into account:

- > Limited availability of information from the counterparties.
- > Little clarity of the disclosure legislation and the complexity of the **i)** technical selection criteria, **ii)** compliance with the DNSH and **iii)** the minimum social safeguards.
- > The GAR's representativeness directly depends on the structure of the financial institutions' balance sheet, as the definition and calculation of the ratio involves excluding certain items from the numerator, but not from the denominator, which penalises those financial institutions that are exposed to counterparties not subject to the NFRD, mainly SMEs and companies from a third country outside the EU, as they are excluded from the numerator.

It should be noted that, in accordance with the applicable laws, the information relating to Taxonomy is prepared following the prudential approach.

The data as at 30 June 2024 have been prepared based on the best effort to adhere to the applicable regulations. At the end of June, GAR stock stands at 0.86% and GAR flow at 1.46%. The change in the ratio with respect to the end of June 2023 is due to a change in the methodology applied after the end of December 2023, which involves not considering the alignment KPIs reported by the companies (NFRD) in the financing with a defined purpose. these cases, an individual alignment

analysis must be conducted using the specific information of the financed assets / projects that must be provided by the companies and which is currently on-going. Until then, without this information, the exposure cannot be considered as aligned. Under this criterion, in December GAR stock would have stood at 0.84% and GAR flow at 1.42%.

Below are templates 6, 7 and 8 calculated on 30 June 2024 as set out in the Taxonomy Regulation and FAQs, for climate change mitigation and adaptation objectives.

Table 8.44. Template 6. Summary of the GAR's KPIs

	KPI			% coverage (over total assets) ⁽¹⁾
	Mitigating climate change	Adaptation to climate change	Total (Mitigating climate change + Adjustment to climate change)	
GAR stock	0.8%	0.0%	0.8%	73.1%
GAR flow	1.3%	0.08%	1.4%	52.3%

(1) % of assets covered by the KPI over the total assets of banks.



Table 8.45. Template 7 - Mitigating actions: Assets for calculating the GAR

Amounts in millions of euros		30.6.2024															
		Mitigating Climate Change (MCC)								Adaptation to Climate Change (ACC)				TOTAL (MCC + ACC)			
		Of which sectors relevant to the taxonomy (taxonomy eligible)								Of which sectors relevant to the taxonomy (taxonomy eligible)				Of which sectors relevant to the taxonomy (taxonomy eligible)			
		Of which environmentally sustainable (aligned with the taxonomy)								Of which environmentally sustainable (aligned with the taxonomy)				Of which environmentally sustainable (aligned with the taxonomy)			
		Of which specialised loans		of which adaptational		Of which enabling		Of which specialised loans		of which adaptational		Of which enabling		Of which specialised loans		of which transitional / adaptational	
GAR - Assets covered in the numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not HFT eligible in the calculation of the GAR	208,248	174,874	3,357	250	220	1,425	328	209	–	198	11	175,202	3,566	250	418	1,437
2	Financial corporations	13,374	7,017	502	–	8	447	2	–	–	–	–	7,019	503	–	8	447
3	Credit institutions	3,627	778	43	–	1	42	–	–	–	–	–	778	43	–	1	42
4	Loans and advances	3,180	714	43	–	1	42	–	–	–	–	–	714	43	–	1	42
5	Debt securities, including UoP	367	64	–	–	–	–	–	–	–	–	–	64	–	–	–	–
6	Equity instruments	80	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
7	Other financial corporations	9,747	6,239	459	–	7	405	2	–	–	–	–	6,241	459	–	7	405
8	of which investment firms	6	2	–	–	–	–	–	–	–	–	–	2	–	–	–	–
9	Loans and advances	6	2	–	–	–	–	–	–	–	–	–	2	–	–	–	–
10	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
11	Equity instruments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
12	of which management companies	59	13	–	–	–	–	–	–	–	–	–	13	–	–	–	–
13	Loans and advances	57	13	–	–	–	–	–	–	–	–	–	13	–	–	–	–
14	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
15	Equity instruments	3	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
16	of which insurance companies	3,564	5	–	–	–	–	–	–	–	–	–	5	–	–	–	–
17	Loans and advances	295	5	–	–	–	–	–	–	–	–	–	5	–	–	–	–

Table 8.45. Template 7 - Mitigating actions: Assets for calculating the GAR

Amounts in millions of euros		30.6.2024																
		Total gross carrying amount	Mitigating Climate Change (MCC)							Adaptation to Climate Change (ACC)					TOTAL (MCC + ACC)			
			Of which sectors relevant to the taxonomy (taxonomy eligible)							Of which sectors relevant to the taxonomy (taxonomy eligible)					Of which sectors relevant to the taxonomy (taxonomy eligible)			
			Of which environmentally sustainable (aligned with the taxonomy)							Of which environmentally sustainable (aligned with the taxonomy)					Of which environmentally sustainable (aligned with the taxonomy)			
			Of which specialised loans		of which adaptational		Of which enabling			Of which specialised loans		of which adaptational		Of which enabling			Of which specialised loans	
GAR - Assets covered in the numerator and denominator																		
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	3,269	-	-		-	-	-	-		-	-	-	-		-	-	
20	EU non-financial companies (not subject to NFRD disclosure obligations)	42,516	19,568	2,589	250	212	978	326	208	-	197	11	19,893	2,797	250	409	990	
21	Loans and advances	40,580	18,949	2,139	-	206	950	325	208	-	197	11	19,274	2,347	-	403	961	
22	Debt securities, including UoP	1,758	545	450	250	6	29	1	-	-	-	-	546	450	250	7	29	
23	Equity instruments	178	74	-		-	-	-	-		-	-	74	-		-	-	
24	Households	148,986	147,613	-	-	-							147,613	-	-	-	-	
25	of which loans secured by residential immovable property	137,274	137,274	-	-	-							137,274	-	-	-	-	
26	of which loans for renovating buildings	6,710	6,710	-	-	-							6,710	-	-	-	-	
27	of which loans for motor vehicles	5,003	3,629	-	-	-							3,629	-	-	-	-	
28	Local government financing	3,372	677	266	-	-	-	-	-	-	-	-	677	266	-	-	-	
29	Home financing	57	57	-	-	-	-	-	-	-	-	-	57	-	-	-	-	
30	Financing from other local governments	3,315	620	266	-	-	-	-	-	-	-	-	620	266	-	-	-	
31	Guarantees obtained by taking possession: residential and commercial immovable property	3,619	2,884	-	-	-	-	-	-	-	-	-	2,884	-	-	-	-	
32	GAR TOTAL ASSETS	211,867	177,759	3,357	250	220	1,425	328	209	-	198	11	178,086	3,566	250	418	1,437	

Table 8.45. Template 7 - Mitigating actions: Assets for calculating the GAR

Amounts in millions of euros			30.6.2024								
			Mitigating Climate Change (MCC)			Adaptation to Climate Change (ACC)			TOTAL (MCC + ACC)		
			Of which sectors relevant to the taxonomy (taxonomy eligible)			Of which sectors relevant to the taxonomy (taxonomy eligible)			Of which sectors relevant to the taxonomy (taxonomy eligible)		
			Of which environmentally sustainable (aligned with the taxonomy)			Of which environmentally sustainable (aligned with the taxonomy)			Of which environmentally sustainable (aligned with the taxonomy)		
			Of which specialised loans	of which adaptational	Of which enabling	Of which specialised loans	of which adaptational	Of which enabling	Of which specialised loans	of which transitional / adaptational	Of which enabling
Assets excluded from the numerator to calculate GAR (covered in the denominator)											
33	EU non-financial companies (not subject to NFRD disclosure obligations)	92,623									
34	Loans and advances	90,154									
35	Debt securities	1,946									
36	Equity instruments	522									
37	Non-EU non-financial companies (not subject to NFRD disclosure obligations)	13,562									
38	Loans and advances	13,206									
39	Debt securities	181									
40	Equity instruments	176									
33	EU non-financial companies (not subject to NFRD disclosure obligations)	92,623									
34	Loans and advances	90,154									
35	Debt securities	1,946									
36	Equity instruments	522									
37	Non-EU non-financial companies (not subject to NFRD disclosure obligations)	13,562									

Table 8.45. Template 7 - Mitigating actions: Assets for calculating the GAR

Amounts in millions of euros			30.6.2024								
			Mitigating Climate Change (MCC)			Adaptation to Climate Change (ACC)			TOTAL (MCC + ACC)		
			Of which sectors relevant to the taxonomy (taxonomy eligible)			Of which sectors relevant to the taxonomy (taxonomy eligible)			Of which sectors relevant to the taxonomy (taxonomy eligible)		
			Of which environmentally sustainable (aligned with the taxonomy)			Of which environmentally sustainable (aligned with the taxonomy)			Of which environmentally sustainable (aligned with the taxonomy)		
			Of which specialised loans	of which adaptational	Of which enabling	Of which specialised loans	of which adaptational	Of which enabling	Of which specialised loans	of which transitional / adaptational	Of which enabling
Assets excluded from the numerator to calculate GAR (covered in the denominator)											
38	Loans and advances	13,206									
39	Debt securities	181									
40	Equity instruments	176									
41	Derivatives	252									
42	Demand interbank loans	1,612									
43	Cash and cash related assets	2,015									
44	Other assets (e.g. goodwill, commodities, etc.)	90,367									
45	TOTAL ASSETS IN THE DENOMINATOR (GAR)	412,299									
Assets excluded from the numerator and denominator to calculate GAR											
46	Sovereign	88,981									
47	Exposure of central banks	48,555									
48	Trading Book	13,572									
49	TOTAL ASSETS EXCLUDED FROM THE NUMERATOR AND DENOMINATOR	151,108									
50	TOTAL ASSETS	563,407									

Table 8.46. Template 8 - GAR (%)

% (with respect to the total assets covered in the denominator)		30.06.2024 KPI in stock																
		Mitigating Climate Change (MCC)					Adaptation to Climate Change (ACC)					TOTAL (MCC + ACC)						Proportion of total assets covered
		Proportion of eligible assets that finance sectors relevant to the taxonomy					Proportion of eligible assets that finance sectors relevant to the taxonomy					Proportion of eligible assets that finance sectors relevant to the taxonomy						
		Of which environmentally sustainable					Of which environmentally sustainable					Of which environmentally sustainable						
			Of which specialised loans	of which transitional	of which enabling		Of which specialised loans	of which transitional	of which enabling		Of which specialised loans	Of which of transitional/ adaptation	of which enabling					
1	GAR	43.11%	0.81%	0.06%	0.05%	0.35%	0.08%	0.05%	–%	0.05%	–%	43.19%	0.86%	0.06%	0.10%	0.35%	73.18%	
2	Loans and advances, debt securities and equity instruments not HFT eligible in the calculation of the GAR	83.97%	1.61%	0.12%	0.11%	0.68%	0.16%	0.10%	–%	0.09%	0.01%	84.13%	1.71%	0.12%	0.20%	0.69%	36.96%	
3	Financial corporations	52.47%	3.75%	–%	0.06%	3.34%	0.02%	–%	–%	–%	–%	52.48%	3.76%	–%	0.06%	3.34%	2.37%	
4	Credit institutions	21.46%	1.19%	–%	0.03%	1.17%	–%	–%	–%	–%	–%	21.46%	1.19%	–%	0.03%	1.17%	0.64%	
5	Other financial corporations	64.01%	4.71%	–%	0.07%	4.15%	0.02%	–%	–%	–%	–%	64.03%	4.71%	–%	0.07%	4.15%	1.73%	
6	of which investment firms	37.75%	0.12%	–%	–%	0.05%	–%	–%	–%	–%	–%	37.75%	0.12%	–%	–%	0.05%	–%	
7	of which management companies	22.24%	–%	–%	–%	–%	–%	–%	–%	–%	–%	22.24%	–%	–%	–%	–%	0.01%	
8	Of which insurance companies	0.13%	–%	–%	–%	–%	–%	–%	–%	–%	–%	0.13%	–%	–%	–%	–%	0.63%	
9	Non-financial companies subject to NFRD disclosure obligations	46.02%	6.09%	0.59%	0.50%	2.30%	0.77%	0.49%	–%	0.46%	0.03%	46.79%	6.58%	0.59%	0.96%	2.33%	7.55%	
10	Households	99.08%	–%	–%	–%	–%						99.08%	–%	–%	–%	–%	26.44%	
11	of which loans secured by residential immovable property	100.00%	–%	–%	–%	–%						100.00%	–%	–%	–%	–%	24.36%	
12	of which loans for renovating buildings	100.00%	–%	–%	–%	–%						100.00%	–%	–%	–%	–%	1.19%	

Table 8.46. Template 8 - GAR (%)

% (with respect to the total assets covered in the denominator)		30.06.2024 KPI in stock														Proportion of total assets covered
		Mitigating Climate Change (MCC)					Adaptation to Climate Change (ACC)					TOTAL (MCC + ACC)				
		Proportion of eligible assets that finance sectors relevant to the taxonomy					Proportion of eligible assets that finance sectors relevant to the taxonomy					Proportion of eligible assets that finance sectors relevant to the taxonomy				
		Of which environmentally sustainable					Of which environmentally sustainable					Of which environmentally sustainable				
			Of which specialised loans	of which transitional	of which enabling		Of which specialised loans	of which transitional	of which enabling		Of which specialised loans	Of which transitional/ adaptation	of which enabling			
13	of which loans for motor vehicles	72.55%	–%	–%	–%	–%					72.55%	–%	–%	–%	–%	0.89%
14	Local government financing	20.06%	7.89%	–%	–%	–%					20.06%	7.89%	–%	–%	–%	0.60%
15	Home financing	100.00%	–%	–%	–%	–%					100.00%	–%	–%	–%	–%	0.01%
16	Financing from other local governments	18.69%	8.03%	–%	–%	–%	–%	–%	–%	–%	18.69%	8.03%	–%	–%	–%	0.59%
17	Guarantees obtained by taking possession: residential and commercial immovable property	79.70%	–%	–%	–%	–%					79.70%	–%	–%	–%	–%	0.64%

Table 8.46. Template 8 - GAR (%)

		30.06.2024 KPI flows																
		Mitigating Climate Change (MCC)					Adaptation to Climate Change (ACC)					TOTAL (MCC + ACC)					Proportion of total assets covered	
		Proportion of eligible assets that finance sectors relevant to the taxonomy					Proportion of eligible assets that finance sectors relevant to the taxonomy					Proportion of eligible assets that finance sectors relevant to the taxonomy						
		Of which environmentally sustainable					Of which environmentally sustainable					Of which environmentally sustainable						
		% (with respect to the total assets covered in the denominator)		Of which specialised loans	of which transitional	of which enabling	Of which specialised loans	of which transitional	of which enabling	Of which specialised loans	Of which of transitional/adaptation	of which enabling						
1	GAR	27.34%	1.38%	0.48%	0.09%	0.52%	0.10%	0.08%	–%	0.08%	–%	27.44%	1.46%	0.48%	0.17%	0.52%	52.30%	
2	Loans and advances, debt securities and equity instruments not HFT eligible in the calculation of the GAR	67.84%	3.43%	1.20%	0.22%	1.29%	0.25%	0.20%	–%	0.20%	–%	68.09%	3.63%	1.20%	0.41%	1.30%	21.02%	
3	Financial corporations	55.14%	5.18%	–%	0.05%	4.79%	0.02%	–%	–%	–%	–%	55.14%	5.18%	–%	0.05%	4.79%	4.29%	
4	Credit institutions	18.97%	0.70%	–%	0.02%	0.68%	–%	–%	–%	–%	–%	18.97%	0.70%	–%	0.02%	0.68%	2.17%	
5	Other financial corporations	92.08%	9.76%	–%	0.08%	8.98%	–%	–%	–%	–%	–%	92.08%	9.76%	–%	0.08%	8.98%	2.12%	
6	of which investment firms	–%	–%	–%	–%	–%	–%	–%	–%	–%	–%	–%	–%	–%	–%	–%	–%	
7	of which management companies	0,02%	–%	–%	–%	–%	–%	–%	–%	–%	–%	0,02%	–%	–%	–%	–%	–%	
8	Of which insurance companies	1.20%	–%	–%	–%	–%	–%	–%	–%	–%	–%	1.20%	–%	–%	–%	–%	–%	
9	Non-financial companies subject to NFRD disclosure obligations	34.75%	7.11%	3,60%	0.61%	0,95%	0.74%	0.60%	–%	0.59%	0.01%	35.49%	7.71%	3.60%	1.21%	0.95%	7.02%	
10	Households	99.99%	–%	–%	–%	–%						99.99%	–%	–%	–%	–%	9.46%	
11	of which loans secured by residential immovable property	100.00%	–%	–%	–%	–%						100.00%	–%	–%	–%	–%	7.93%	
12	of which loans for renovating buildings	100.00%	–%	–%	–%	–%						100.00%	–%	–%	–%	–%	0.42%	

Table 8.46. Template 8 - GAR (%)

		30.06.2024 KPI flows												Proportion of total assets covered			
		Mitigating Climate Change (MCC)					Adaptation to Climate Change (ACC)					TOTAL (MCC + ACC)					
		Proportion of eligible assets that finance sectors relevant to the taxonomy					Proportion of eligible assets that finance sectors relevant to the taxonomy					Proportion of eligible assets that finance sectors relevant to the taxonomy					
		Of which environmentally sustainable					Of which environmentally sustainable					Of which environmentally sustainable					
				Of which specialised loans	of which transitional	of which enabling			Of which specialised loans	of which transitional	of which enabling				Of which specialised loans	Of which of transitional/ adaptation	of which enabling
13	of which loans for motor vehicles	99.90%	–%	–%	–%	–%						99.90%	–%	–%	–%	–%	1.10%
14	Local government financing	0.16%	–%	–%	–%	–%						0.16%	–%	–%	–%	–%	0.25%
15	Home financing	–%	–%	–%	–%	–%						–%	–%	–%	–%	–%	–%
16	Financing from other local governments	0,16%	–%	–%	–%	–%	–%	–%	–%	–%	–%	0.16%	–%	–%	–%	–%	0.25%
17	Guarantees obtained by taking possession: residential and commercial immovable property	93.58%	–%	–%	–%	–%						93,58%	–%	–%	–%	–%	0.05%

F. Other mitigation measures

The following table includes, at June 2024, 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 year, the exposure in green bonds (fixed income) according to the ICMA (International Capital Market Association) is included.



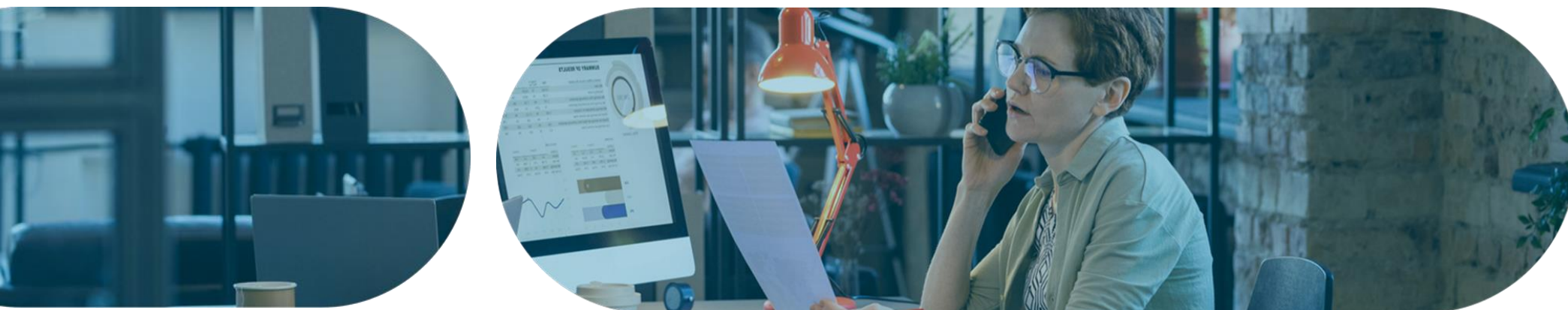
Table 8.47. Template 10 - Other actions to mitigate climate change that are not covered in the EU taxonomy

a	b	c	d	e	f
Type of financial instrument	Type of counterparty	Gross carrying amount (million EUR)	Type of mitigated risk (transition risk of climate change)	Type of mitigated risk (physical risk due to climate change)	Qualitative information on the nature of the mitigation measures
1	Financial institutions	107	YES	NO	Includes green bonds according to the ICMA (International Capital Market Association).
2	Non-financial institutions	174	YES	NO	Includes green bonds according to the ICMA (International Capital Market Association).
3	Of which loans secured by commercial immovable property	—			
4	Households				
5	Of which loans secured by residential immovable property				
6	Of which loans for renovating buildings				
7	Other counterparties	94	YES	NO	Includes green bonds according to the ICMA (International Capital Market Association).



Table 8.47. Template 10 - Other actions to mitigate climate change that are not covered in the EU taxonomy

a	b	c	d	e	f	
Type of financial instrument	Type of counterparty	Gross carrying amount (million EUR)	Type of mitigated risk (transition risk of climate change)	Type of mitigated risk (physical risk due to climate change)	Qualitative information on the nature of the mitigation measures	
8	Financial institutions	1,415	YES	NO	Includes eligible assets to issue green bonds according to CaixaBank's framework for the issuance of bonds linked to 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" (not included in other sections)and "Sustainability Linked Loans" according to the "Loan Market Association" with KPIs to mitigate climate change	
9	Non-financial institutions	17,100	YES	NO	Includes eligible assets to issue green bonds according to CaixaBank's framework for the issuance of bonds linked to 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" (not included in other sections)and "Sustainability Linked Loans" according to the "Loan Market Association" with KPIs to mitigate climate change	
10	Loans (e.g. green, sustainable, sustainably-related under standards other than EU standards)	Of which loans secured by commercial immovable property	3,074	YES	NO	Includes eligible assets to issue green bonds according to CaixaBank's framework for the issuance of bonds linked to 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" (not included in other sections)and "Sustainability Linked Loans" according to the "Loan Market Association" with KPIs to mitigate climate change
11	Households	2,950	YES	NO	Includes eligible assets to issue green bonds according to CaixaBank's framework for the issuance of bonds linked to Sustainable Development Goals	
12	Of which loans secured by residential immovable property	2,852	YES	NO	Includes eligible assets to issue green bonds according to CaixaBank's framework for the issuance of bonds linked to Sustainable Development Goals	
13	Of which loans for renovating buildings		YES	NO		
14	Other counterparties	468	YES	NO	Includes eligible assets to issue green bonds according to CaixaBank's framework for the issuance of bonds linked to 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" (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 fill the staff, 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 of 30 June 2024, 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.
- > 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.
- > Green bonds according to the ICMA (International Capital Market Association).

The increase at the end of June 2024 with respect to 2023 year-end, is due to two reasons:

- > The incorporation of Banco BPI's exposure.
- > The rise of properties with reported EPCs, which involves an increase of properties identified as eligible for the green bond issuance.



Pillar 3 **Disclosures**

Half-yearly disclosure **ESG Risk**