

## Phase 1. Context analysis

In order to identify the main impacts, risks and opportunities (IRO's), the Group has carried out an **exhaustive process of analysing its corporate information**, which included its business model or the value chain, among others, and an **analysis of the sector's context** based on the national and international context and the key trends in the sector and in sustainability.

This initial analysis was completed using different internal and external **sources of information**:

### Internal sources



Corporate information of the Group, including:

- > Group's strategies and plans: Strategic Plan and Sustainability Plan of the CaixaBank Group.
- > Main sustainability policies, principles and internal standards.
- > Main Statements on sustainability.
- > Inner codes.
- > Result of the risk management processes (risk assessment, Corporate catalogue of risks and risk appetite framework (RAF)).
- > Reports, publications and corporate studies in sustainability.
- > Due diligence procedures in Human Rights.
- > Analysis of reputational risk of CaixaBank.
- > Sustainable finance identification guide.

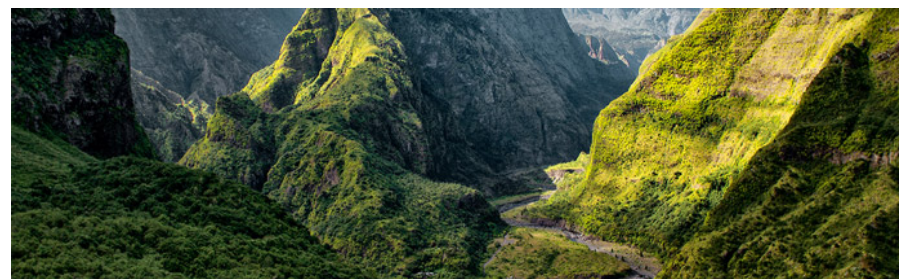
### External sources



The following external sources have been taken into account:

- > Regulation on sustainability, such as the CSRD, its associated standards ESRS or the Green Taxonomy Regulation.
- > List of material topics ESRS-1.
- > Main reporting frameworks on sustainability.
- > Supervisor requirements
- > Expectations of the main ESG indices and analysts (S&P, MSCI, FTSE, Sustainalytics, ISS).
- > Other sources (World Economic Forum).
- > Reports on industry trends, sustainability and society.

This internal and external documentation analysis process has provided a broad knowledge about the environment and the Group and a first approach of the potentially material issues from a transversal view of sustainability.



## Phase 2. Identification of impacts, risks and opportunities

The identification of IRO's derived from the operations and the value chain of the Group has been carried out starting from the information that has been obtained during the phase of Analysis of the context and taking into account information as the type of activity, the geographies in which develops the activity or the sector of the Company among others.

The basis of the IRO's identified from the Context analysis has been completed with the knowledge and support of CaixaBank's departments, which is based on the information obtained from each area's management systems.

Lastly, the final list of identified IRO's, in terms of definition and coherence, was validated by each of the departments responsible thereof in various meetings in which they were contrasted.

Each IRO was linked to the corresponding part of the value chain on the which they have an impact. This will allow establishing specific action plans for each IRO.

118 IRO's were identified after in this exercise, and CaixaBank subsequently linked them to different sustainability topics with different grouping levels, in accordance with ESRS-1 AR 16. Due to it being the first year in carrying out the identification of impacts, risks and opportunities (IRO's) according to the requirements established by the ESRS, a comparison with respect to the previous year cannot be carried out.

In the phase of identifying the IRO's, the existing dependencies between the identified IRO's have been considered by separating and linking them at the subtopic level, and a preliminary list of IRO's has been prioritised to avoid duplicities.

## Phase 3. Assessment of impacts, risks and opportunities

The grouping of IRO's by topic and subtopic at different levels has enabled their assessment by the Group's experts that manage and are related to each of the sustainability topics. This allows for a more detailed view of the impact generated by CaixaBank on the environment and people, as well as of the risks and opportunities that each topic brings to the company's financial statements.

The current and potential impacts arising from the assessment of risks and opportunities have been assessed separately.

A separate assessment was carried out for the current and potential impacts and for the current and potential risks and opportunities.

### Assessment of the impacts - Impact Materiality

The impacts have been assessed by differentiating between **current and potential impacts** and **positive or negative impacts**.

For every impact, the severity has been assessed over a short, medium, and long-term timeframe. With regard to the negative impacts, this severity is assessed considering a scale, scope and irremediable nature, while in the positive impacts, it is assessed considering a scale and scope. For all potential impacts, the variable of likelihood of occurrence thereof is also introduced.

Each of these variables are measured according to a series of criteria adopted by the Entity:

1. **Scope:** it defines the extent of the impact, that is, the number of people affected or the extent of the damage to the environment. A scale of 1 to 5 was established to define it, where: Limited (1), Concentrated (2), Medium (3), Extensive (4) and Global (5).
2. **Scale:** it defines the impact's degree of materiality for the stakeholders, in a scale of 1 to 5. For this purpose, a listening and dialogue method was considered, which was adapted to the stakeholders and combined with the following: online surveys, *focus groups* and interviews with various stakeholders.
3. **Likelihood:** it defines the likelihood of the impact occurring in the event that it is potential. A scale of 1 to 5 was established to define it, where: Very low likelihood (1), Low likelihood (2), Average likelihood (3), High likelihood (4) and Extreme likelihood (5).
4. **Remediability:** it defines the degree of difficulty (economic and temporary) to return to the situation prior to the impact occurring if the impact is negative. A scale of 1 to 5 was established to define it, where: Easy (1), With effort (2), Difficult (3), Very difficult (4) and Irremediable (5).

Considering all these variables, we can define the score, between 1 and 5, of each one of the impacts, according to their initial classification (positive/negative, actual/potential).

In addition, CaixaBank has carried out a **qualitative analysis** of the different impacts with the aim of confirming the conclusions obtained in the quantitative assessment. This analysis has consisted of the following:

- > **Justification of the quantitative parameters.** The reasonableness of the quantitative values for scope, scale, likelihood and remediability of each impact has been reviewed.
- > **Contrast and confirmation of the obtained conclusions with the area responsible for monitoring and managing the impact.** The results of the quantitative assessment of each impact have been shared with each area responsible to confirm the obtained results.
- > **Review and verification of the management tools and strategy.** All the strategies, plans, policies, methodologies, reports and objectives established to manage impacts when they exist have been analysed for each impact.



## Assessment of the risks and opportunities - Financial materiality

The risks and opportunities have been assessed according to the likelihood of occurrence and the potential magnitude of the financial effects in the short, medium and long term.

The result of the assessment is a economic result expressed in euros for every risk and opportunity, which is translated to a scale of 1 to 5. This estimated economic value of the risks and opportunities has been set with the risks team and different departments of CaixaBank on the basis of the available financial information.

In the phases of identification and assessment of **the main risks** associated with CaixaBank's activity, the Corporate Risk Catalogue and the rest of strategic risk processes have been considered, ensuring consistency with the same. The risk assessment has also relied on and is linked to the materiality of ESG risks ([see section "Management of sustainability/ESG risks"](#)), which is used to prioritise the ESG targets and strategy and inform on the risk appetite in relation to the Group's ESG.

The risks' assessment has been carried out using the assessment of ESG risks and the Group's risk management system. The magnitude of the impact and its likelihood is estimated using these assessments, as well as considering the internal quantitative data, when available, and a qualitative assessment carried out with the corresponding area.

The **opportunities** are based on internal business estimates and are complemented with the sector's context analysis and market research.

The **timeframes** considered in the process of assessing the impacts, risks and opportunities are those specified in ESRS 1:

- > Short term: one year ahead.
- > Medium term: between one and five years.
- > Long term: more than 5 years.

**The environment of control of the identified IRO's has been considered** in this assessment process as a mitigation measure of the impact/risk identified in its assessment.

## View of the Stakeholders

As part of the Doble Materiality Study, a large number of internal and external stakeholders were consulted, with the aim of including their opinion in the assessment. Their contribution was essential to understanding the materiality of a series of sustainability topics, and it was used to complement the Group's quantitative assessment exercise.

This consultation was carried out in various ways, where the 1,045 surveys conducted with the main stakeholders, 2 focus groups and 27 interviews are particularly worth mentioning:

### Consultation with the Group's stakeholders

Various types of **consultations** have been carried out with relevant stakeholders.

#### 10 STAKEHOLDERS

1. Employees and executives
2. Private and corporate customers
3. Shareholders, investors and analysts
4. Suppliers
5. Regulatory bodies and institutions
6. Media
7. NGO
8. Leading organisations in sustainability
9. Academy
10. Society (non-customers)

#### Surveys

**1,045**  
SURVEYS CONDUCTED

145 Employees  
30 Executives  
118 Suppliers  
221 Customers  
431 Shareholders  
100 Non-customers

#### Focus Groups

- > 2 sessions with a random, representative selection of **10 employees from the commercial network and 10 employees from Headquarters.**
- > Duration sessions: 90 minutes.
- > Samples with diversity in:
  - > Geography
  - > Age
  - > Gender
  - > Roles
  - > Functional
  - > Branch classifications

#### Interviews

**27**  
INTERVIEWS CONDUCTED

- > Duration of 30-45 minutes
- > Stakeholders interviewed:
  - > CIB customers
  - > Investors and analysts
  - > Regulatory bodies and institutions
    - > Media
    - > NGO
- > Leading organisations in sustainability
  - > Academy

The main conclusions obtained from the stakeholders are the following:

- > The topics in which CaixaBank has or can have a greater **positive impact** in the opinion of the various stakeholders are mainly Privacy and data protection, Cybersecurity and information security and Human Rights.
- > With respect to the topics in which the stakeholders believe that CaixaBank has or can have a **negative impact** are Decarbonisation of the lending and investment portfolio, Value offer, Responsible marketing and customer satisfaction and Prevention of corruption and bribery.

## Phase 4. Results of the Doble Materiality Study

The result of the assessments is a quantitative value in a scale of 1 to 5, where CaixaBank has established a threshold that allows identifying its material topics with a different level of disaggregation.

This threshold is different for Impact Materiality and Financial Materiality due to the difference of methodology in both assessments.

### Impact materiality

The Impact is considered with the highest score as a reference, and it is multiplied by the percentage established once the results have been obtained. This percentage will vary according to the final results and their dispersion.

Once this threshold is established, all values equal to or above it are considered material, whereas those values below it are considered non-material. In this case, the top 25% values ( $\geq 75\%$ ) have been used to calculate the threshold.

### Financial materiality

When defining the financial materiality threshold in the context of the CSRD and ensuring coherence and consistency with the corporate risk assessment defined for prudential purposes, the following aspects will be taken into account:

- > Within the scope of the CSRD, the risk events (although called risks throughout the entire dual materiality exercise) that make up, among others, CaixaBank's taxonomy risks are assessed. These risk events constitute the corporate catalogue of risks to which CaixaBank is exposed and that have been identified throughout this exercise and others.
- > Therefore, the materiality of the risks is assessed according to the risk assessment, based on the impact on equity or level of capital adequacy / own funds (this materiality is a non-binding reference).
- > The materiality of the risk events (CSRD risks) are assessed according to a different scale that takes the impact on the income statement as a reference. This materiality should be understood as the relevance of the risk events and not as a significant impact on the Group's capital adequacy or liquidity.

Therefore, there are two different materiality thresholds, given that the materiality of a risk is defined by the materiality of all the events that can affect it, ensuring reasonableness in both.

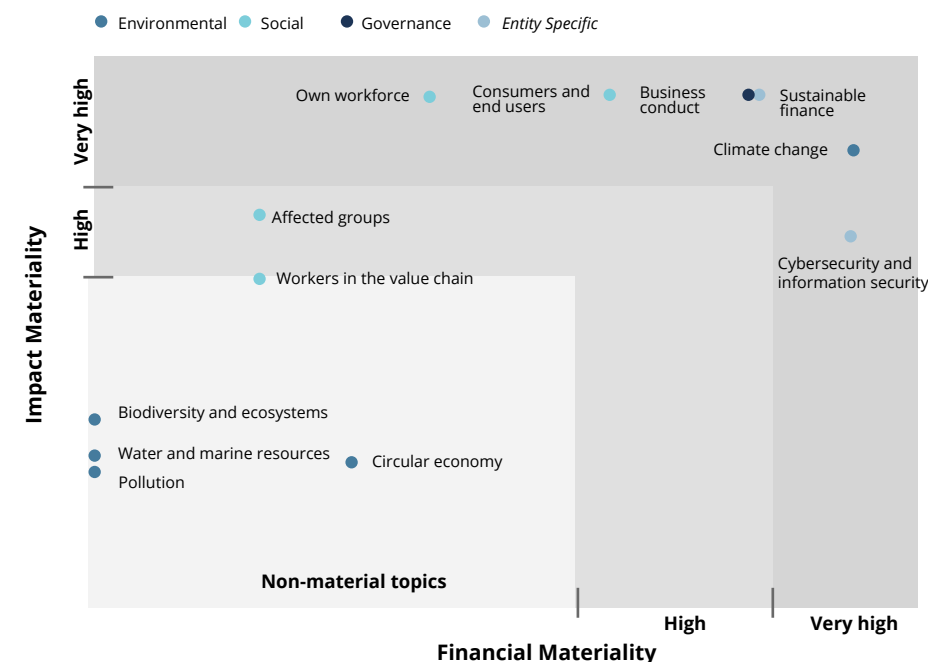
In order to define the threshold in level 3, a different method has been used, as it enables the company to include in its management the most material topics within the scope of sustainability that, due to the higher degree of change with respect to other functional areas, may require further management and criteria that is more prudent.

The result of this assessment has been the identification of 32 materials IRO's that are grouped into 7 topics, 16 material subtopics for the CaixaBank Group.








### Materiality matrix

By linking potentially material issues with the analysis of impact materiality and financial materiality, these issues can be classified into two categories. The results of this phase result in the Group's materiality matrix:

#### Dual materiality matrix - Topic level



## Material topics

ENVIRONMENTAL	SOCIAL	GOVERNANCE	ENTITY SPECIFIC
 <b>Climate change</b>	 <b>Own Workforce</b>		
	 <b>Affected communities</b>		
	 <b>Consumers and end users</b>		
		 <b>Business conduct</b>	
			 <b>Sustainable finance</b>
			 <b>Cybersecurity</b>