

C0. Introduction

C0.1

**(C0.1) Give a general description and introduction to your organization.**

CaixaBank (CB) is an integrated financial group that operates a banking business and is a shareholder in international banks. CB is the leading financial group in the Spanish market with active assets valued in EUR 451,520 million as of 31 December 2020. In 2020 the Group had six key business divisions serving around 15.2 million customers in Individual Banking, Business and Entrepreneurs Banking, Premier Banking, Business Banking, Private Banking and CIB (Corporate & Institutional Banking) & International Banking. CB rounds out its portfolio with the specialized services of its pension and life insurance business. Regarding International banking activity, CB runs operational branches in 6 countries and representative offices in other 16 countries. CB has several strategic alliances, formalized through business and commercial cooperation agreements.

In September 2020, CB announced the merger with Bankia. The operation was approved by the shareholders at the Extraordinary General Meeting held on 3 December 2020 and took effect on March 26, 2021. It is planned that the operations of the two entities will be merged by the end of 2021. For this reason, Bankia's activities are not included in this CDP.

CB is widely recognized by the main sustainability rating indexes and agencies, such as: Dow Jones Sustainability Index (score: 85, included consistently since 2012), FTSE4Good (ESG rating: 4.4), MSCI (ESG rating: AA Leader), STOXX Global ESG (Sustainalytics ESG risk rating: 22,4 medium risk), ISS-ESG (ESG rating: 1 in the triple dimension), and Euronext (VigeoEiris ESG score: 54 Robust). CDP recognizes CB as one of the leading companies in the fight against climate change (CC), retaining it in its "Leadership" category with an A- Score.

Some of the awards and recognitions obtained by CB in 2020 include: Best Bank in Spain in Western Europe by Global Finance magazine, Best Private Bank in Europe for its digital culture and vision by the Financial Times Group, Best Consumer Bank in the World by Global Finance, Euromoney Excellence in Leadership in Western Europe award for its social commitment in response to COVID-19 crisis, The DJSI recognises CB as one of the world's most sustainable banks, Sustainability YearBook 2020 of the SAM Corporate Sustainability Assessment for the ninth year in a row, Silver Class in 2021. APP Imagin obtains the B Corp certification for its positive impact on the environment and society.

CB considers it essential to facilitate the economic transition to a sustainable model, which is why CB is integrating ambitious environmental policies into its lending processes and is firmly committed to advancing the alignment of its portfolios with the goals of the Paris Agreement, in accordance with the UN's Collective Commitment to Climate Action. CB maintains its firm commitment to the UN Global Pact and adheres to the Principles for Responsible Banking. CB supports the work of the TCFD at the Financial Stability Board, as well as similar initiatives from the European Commission. Since 2007, CB has been a signatory of the Equator Principles.

In 2020, CB signed the Manifesto promoting green and sustainable economic recovery to emerge from the Covid-19 crisis. The manifesto, addressed to the Commission for Social and Economic Reconstruction of the Congress of Deputies, asks for the stimulus policies, in addition to being effective from an economic and social perspective, to be aligned with sustainability policies and with the European Green Deal. The initiative has been promoted by the Spanish Green Growth Group, of which CB is part.

CB issues its first Green Bond for €1 billion in the reporting year linked to the contribution to the UN SDGs. The Green Bond is channelled to projects that contribute to environmental sustainability, such as reducing GHG, preventing pollution and adapting to CC. Furthermore, CB developed a pilot to quantify Scope 3 emissions for its credit portfolio (3.15 Investment).

Regarding the organizational activities and according to the CDP criteria, CB decided to include in this CDP only the activities performed by Bank Lending, the only activity that represents more than 20% of its revenue in the reporting year, and only activities carried out in Spain (91% of total income).

Climate-related R&O have led the bank to outline in the 2019-2021 Strategic Plan an important goal of the corporate culture before society: to be a fundamental agent in the transition to a low-carbon economy. In other words, the bank considers as part of its Raison d'être the role of transforming agent in society's progress in the fight against CC. With this in mind, all references to sustainability or environment in this CDP are also a straightforward reference to issues related to CC.

For this CDP, there was a change in the reporting year compared to previous years due to the attempt to reduce the estimates in the carbon footprint calculations and work with more accurate data.

C0.2

**(C0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	October 1 2019	September 30 2020	Yes	1 year

C0.3

**(C0.3) Select the countries/areas for which you will be supplying data.**

Spain

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

EUR

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-FS0.7

(C-FS0.7) Which organizational activities does your organization undertake?

Bank lending (Bank)

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	CaixaBank (CB) Board of Directors (BD) is the company's most senior representative, management and administrative body with powers to adopt agreements on all matters. It approves and oversees the strategic and management directives established in the interest of all Group companies, establishes and supervises the risk strategy and risk management policies, including the management of environmental and climate change issues. The BD is also responsible for approving, supervising, and monitoring the effectiveness of the Bank's Climate Change Statement and the CSR Master Plan, which includes Environment as one of the 5 lines of action aimed at investing and financing to mitigate and adapt to climate change. The Board has specialized committees with supervisory and advisory powers. Regarding climate issues, two committees stand out: Appointments Committee (AC) and Risk Committee (RC). Among the duties of the AC is the supervision of the company's corporate social responsibility. As part of its ordinary remit, the Committee discussed, scrutinized, and took decisions or issued reports on sustainability matters. The RC is responsible for advising the BD on the overall susceptibility of the company to current and future risks, reporting on the risk appetite framework, proposing the Group's risk policy, and approving and periodic reviewing the strategies and policies regarding risk assumption, management, supervision and reduction. These Board's committees are assisted by senior management bodies. The Environmental Risk Committee (ERC), set up in March 2019 and chaired by the CRO, is the highest senior management body to manage climate and environmental risks and reports into CB's Management Board. The ERC is responsible for analyzing and approving the proposals made by the various functional areas regarding the strategic positioning of the Bank in relation to Environmental Risk Management, in addition to identifying, managing, and controlling the risks associated with this area. It also authorizes exceptions to the general and sectoral exclusions set out in the Policy. As an example of a climate-related decision taken in the reporting year by the BD was the incorporation of the climate-related physical and transition risks (identified in the risk assessment process) into the Corporate Risk Taxonomy as a level 2 credit risk.

C1.1b

**(C1.1b) Provide further details on the board’s oversight of climate-related issues.**

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	<p>Reviewing and guiding strategy</p> <p>Reviewing and guiding major plans of action</p> <p>Reviewing and guiding risk management policies</p> <p>Reviewing and guiding annual budgets</p> <p>Reviewing and guiding business plans</p> <p>Setting performance objectives</p> <p>Monitoring implementation and performance of objectives</p> <p>Monitoring and overseeing progress against goals and targets for addressing climate-related issues</p>	<p>Climate-related risks and opportunities to our own operations</p> <p>Climate-related risks and opportunities to our bank lending activities</p> <p>Climate-related risks and opportunities to our investment activities</p> <p>The impact of our own operations on the climate</p> <p>The impact of our bank lending activities on the climate</p> <p>The impact of our investing activities on the climate</p>	<p>The commitment to corporate environmental responsibility is based on a sound framework of governance described in the 2019-2021 Strategic Plan, which has among its objectives the goal of being a fundamental agent in the transition to a low-carbon economy. The framework of policies designed to develop the sustainability and climate related issues is: Sustainability / CSR Policy (updated in the reporting year - RY), Environmental Risk Management Policy (developed to frame the global principles for the management of environmental risks), Declaration on Climate Change, and Socially Responsible Banking Plan. The Board of Directors approves the Sustainability / CSR policy and strategy, and oversees its implementation, reviewing and guiding the strategy in all meetings of the board (16 meetings in RY). The structure of governing bodies is: the Appointment Committee oversees CaixaBank (CB) actions and performance objectives in relation to corporate responsibility issues and Environmental Strategy, and proposes the Group’s risks policy to the Board including ESG matters (13 meetings in RY), the Management Committee approves the main lines of action and the dedicated budget in the area of Corporate Social and Environmental Responsibility (meets on a weekly basis), the Corporate Responsibility and Reputation Committee implements the CSR strategy, and the Environmental Risk Committee, develops the environmental strategy and business plan, including related business opportunities, and ensures the allocation of suitable financial resources for risk management (meets quarterly and when the Board’s Risk Committee meets – 14 in RY). CB’s Sustainability / CSR Policy is monitored by top-level committees with the direct involvement of Senior Management. A report on the evolution of CSR Strategic Plan is reviewed biannually by them. New policies, sector criteria or other major issues are reviewed and approved by the Management Committee and submitted to the Board. In this framework, CB’s CSR Policy, based on ESG criteria, has established five key strategic areas as a guide. Governance and Environmental are the keys areas that work with issues related to climate change. The former consolidates the governance of corporate responsibility, measures production with a positive environmental impact and incorporates ESG criteria in the business. The latter promotes green production and issue sustainable bonds, manages environmental and climate risk, and implements the Environmental and Energy Management Plan. During the reporting year, the main climate issues scheduled were: issuance of a €1,000 million Green Bond, adherence to the Spanish Climate Change and Energy Transition Bill (to achieve emissions neutrality by 2050), update of its Environmental and Energy Management Principles, and adherence to the Manifiesto for a sustainable economic recovery and the Green Recovery Call to Action initiative.</p>

**C1.2**

**(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.**

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Risks Officer (CRO)	Reports to the board directly	Both assessing and managing climate-related risks and opportunities	<p>Risks and opportunities related to our bank lending activities</p> <p>Risks and opportunities related to our investing activities</p> <p>Risks and opportunities related to our own operations</p>	More frequently than quarterly

**C1.2a**

**(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).**

Chief Risks Officer (CRO) is the maximum responsible for risks at CaixaBank (CB), including environmental and climate change risks, and is a member of the Management Committee, which is the highest body below Board level. This position represents the highest management-level position with responsibility for climate-related issues. The CRO chairs the Environmental Risk Management (ERM) Committee, one of the main committees in which CB's Senior Management is involved, and reports to the Management Committee. The CRO has the following risk management bodies under its responsibility and command:

(i) The ERM Committee is the most senior specialized executive body at CB when it comes to environmental risk (ER) management. It is therefore responsible for analyzing and, where necessary, approving the proposals received from the different functional areas concerning the Bank's strategy and approach, while also identifying, managing, and controlling the associated risks as a first line of defense. All ERM initiatives are supervised by this committee. It may also seek the advice of the ER experts attached to the Bank's various business areas involved in ER acceptance, management, monitoring or control activities. The committee may also authorize exceptions to the general and industry-specific exclusions set out in the ERM policy. The committee shall regularly report to the Bank's Global Risks Committee. The main functions of the ERM Committee include: (i) Definition of the strategy regarding ER and opportunities within the framework of the risk appetite approved by the Board of Directors. (ii) Establishing and monitoring of the governance framework for the management of ER (iii) Monitoring of the progress of the projects and initiatives set up to roll out the defined environmental strategy. (iv) Promoting the integration of the ER criteria into the business management. (v) Review and approve the information to be disclosed to the market relating to climate risk. (vi) Define and review the necessary information to monitor the exposition to ER.

(ii) Corporate Directorate for Environmental Risk Management (CDERM): This directorate is responsible for managing environmental and climate-related risk. The CDERM coordinates the implementation of the Road Map for deploying the Environmental Strategy and oversees the analysis of ER within the Bank's risk concession processes. The main functions of CDERM include: (a) Coordinate the execution of the internal ERM Plan, mainly with regards to the credit risk granting to CB customers, with the objective of avoiding, mitigating and remediating potential negative environmental impacts. (b) Roll out the global risk appetite framework for climate and environmental risk in portfolio plans, asset transactions together with the Business Areas. (c) Globally monitor the asset portfolio from a perspective of the ER (risk profile, volumes / performance of the portfolios included in the taxonomy), control and reporting of the fulfilment of the planning, cooperate in the reporting to the governing bodies and supervisors on the evolution of the risk profile and the management as required. (d) Actively manage the risk level, within the formal framework authorized: analyze the correct application of the ER management policies and procedures, propose changes, and evaluate the impact in terms of the business; escalate proposals to mitigate the ER exposure levels. Transaction Appraisal Unit is the body specialized in ER and supports the Bank in daily decision-making processes in connection with ordinary risk acceptance activities. It reports to the ERM Committee. The unit's main function is to run analyses and issue reports or explanations with respect to potential levels of ER whenever it is required and especially when granting new loans in relation to the activities and sectors covered by the ERM policy. Any decision by the ERM Committee to approve an exception to the general and industry-specific exclusions will require a preliminary report from this unit.

(iii) Environmental Risk Management Policy: Approved by the Board of Directors, the objective of the policy is to frame the global principles for the approval, management, communication, and disclosure of ER. This ERM Policy addresses the environmental repercussions of Bank's lending activity to customers and aims to mitigate the impact of climate change, the potentially harmful effects on the environment in general and the related risks. ER management is an integral part of the ESG risk management process.

The targets of the CRO include indicators linked to the management of environmental and climate-related risk. These objectives are focused on contributing to the alignment of CB's credit portfolio with a low-carbon economy that is resilient to climate change, in accordance with the commitments acquired by the Entity within the framework of the UNEP FI - Principles for Responsible Banking Collective Commitment to Climate Action.

**C1.3**

**(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?**

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	CaixaBank provides incentives for the management of climate-related issues, including the attainment of targets. These are detailed in the following question C1.3a.

**C1.3a**

**(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).**

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Chief Executive Officer (CEO)	Monetary reward	Emissions reduction target Portfolio/fund alignment to climate-related objectives	The Chief Executive Officer (CEO) has a long-term share-based incentives plan linked to the fulfillment of the objectives of the 2019-2021 Strategic Plan, within which is the climate-related goal: to be a fundamental agent in the transition to a low-carbon economy. To assess this compliance, the CaixaBank's Statement on climate change presents the main objectives to be achieved divided into 5 lines of action: supporting viable projects that are compatible with a low-carbon economy and solutions for climate change, managing the risks associated with climate change, minimizing and compensating the bank's carbon footprint, collaborating with other organizations to make joint progress, and reporting progress transparently. Furthermore, the CEO has a variable remuneration in the form of an annual bonus linked to the achievement of pre-established targets and prudent risk management. The incentives in terms of Environmental and Climate Risk Management at the CEO level are focused on contributing to the alignment of the CaixaBank Group's loan portfolio with a low-carbon and climate-resistant economy in accordance with the commitments made by the entity within the framework of UNEP FI - PRB (UN Environmental Program Finance Initiative - Principles for Responsible Banking) Collective Commitment to Climate Action, establishing a metric that limits exposure to the most carbon-intensive and environmentally damaging activities. This Annual Conditional Incentives Plan pegged to the 2019-2021 Strategic Plan allows a number of CaixaBank shares to be received after a certain period of time, provided the strategic targets are met and subject, among other things, to the evolution and positioning of certain strategic parameters.
Chief Risk Officer (CRO)	Monetary reward	Emissions reduction target Portfolio/fund alignment to climate-related objectives	The Chief Risk Officer (CRO) and the Corporate Directorate for Environmental Risk Management (CDERM) have a variable remuneration plan linked to the fulfillment of the objectives related to the establishment of the Risk Appetite Framework (RAF) and the measurement of the portfolio's exposure to carbon. The RAF is a comprehensive and forward-looking tool used by the Board of Directors to determine the types and thresholds of risk it is willing to take in achieving the Group's strategic objectives (included the goal: to be a fundamental agent in the transition to a low-carbon economy). The quantitative statement in the RAF related to climate change that the CRO and CDERM need to comply with is: align the business strategy and the relationship with clients with responsible social action, with the application of the highest ethical and governance standards, as well as with the consideration of the potential impacts on climate change and the environment. To assess this compliance, the following functions are monitored: defining the environmental risk appetite framework for climate-related risks, elaborating, developing and implementing control mechanisms for the correct identification and monitoring of the portfolio according to its contribution to environmental sustainability, monitoring the overall portfolio, as well as overseeing its control and reporting, and active management of the loan portfolio: ensuring correct application of policies, management mechanisms, cost-benefit analyses of the decisions taken. Furthermore, the CRO has a variable remuneration in the form of an annual bonus linked to the achievement of pre-established targets and prudent risk management. The incentives in terms of Environmental and Climate Risk Management at the CRO level are focused on contributing to the alignment of the Group's loan portfolio with a low-carbon and climate-resistant economy in accordance with the commitments made by the entity within the framework of UNEP FI - PRB Collective Commitment to Climate Action, establishing a metric that limits exposure to the most carbon-intensive and environmentally damaging activities. These variable remunerations are linked to a certain period of time, provided that the RAF objectives and the climate-related risks targets are met and subject, among other things, to the evolution and positioning of certain strategic parameters.
Other, please specify (Chief Corporate Social Responsibility Officer)	Monetary reward	Emissions reduction target Energy reduction target Efficiency target	The Chief Corporate Social Responsibility Officer has an incentive plan based on the achievement of goals related to the implementation of the 2019-2021 Environmental Management Plan (updated in 2020 due to the impact of COVID-19 Pandemic) and the roll out of the Road Map to deploy the Environmental Strategy. This plan seeks to integrate the CaixaBank's activities with environmental protection and maximum efficiency in the use of natural resources, in accordance with the requirements established in standard ISO 14001, the European EMAS environmental management regulation and the ISO 50001 energy management standard, as established in the CaixaBank, S.A. Environmental and Energy Management Principles (updated in May 2020). To assess the achievements, the following environmental performance indicators are monitored: minimizing and offsetting all calculated CO2 emissions that it has not been possible to eliminate, minimization of the bank's impact through the implementation of new energy saving measures and renewal of certification and environmental commitments, extension of the environmental commitment to the value chain through the development of action plans for suppliers to assume Bank's environmental values as their own and to comply with the commitments they have made, measures to encourage sustainable mobility to minimize emissions by the organization, its workforce and suppliers, and engagement actions with employees strengthen commitment and improve environmental information for the public. The incentive plan is directly related to the management of Climate Change within the company, especially those addressing emissions and energy reduction. These incentives apply also to the General Service Manager and other business units such as: Corporate Banking, asset management CSR, General Services, CIB (Corporate & Institutional Banking). Employees of the Management Group working in the Department of General Services Administration are also awarded with bonuses when these goals are achieved. In addition, in the reporting year a Sustainable Finance Manager has been appointed within the Corporate and Institutional Banking segment with specific incentives related to promoting and creating green and sustainable products.

**C-FS1.4**

**(C-FS1.4) Does your organization offer its employees an employment-based retirement scheme that incorporates ESG principles, including climate change?**

	We offer an employment-based retirement scheme that incorporates ESG principles, including climate change.	Comment
Row 1	Yes, as the default investment option for all plans offered	The CaixaBank Group Employee Pension Plan, in which employees are automatically included, is associated with the pension fund Pensions Caixa 30 (PC30), which has been a signatory to the UN Principles for Responsible Investment (PRI) since 2008. The PC30 has been awarded several prizes in different fields, including a maximum score in socially responsible investment by PRI (A+ in Strategy and Governance). Socially Responsible Investment (SRI) is a cornerstone of the PC30's Strategic Plan and Investment Policy. The main objective of integrating SRI principles in the PC30 is to foster sustainability in its investments. Some of the SRI strategies implemented by PC30 include the analysis and selection of companies based on compliance with international environmental protection standards, with the aim of reducing the portfolio's carbon footprint (CF) and improving its ESG notation. CF measurement is part of the Fund's commitment to the Montreal Carbon Pledge. Implementing a metric that allows determining the environmental impact helps the assessment of the portfolio with respect to the ESG commitments assumed in the PRI. In the reporting year, the carbon footprint of PC30 (metric that weights, in terms of intensity, the emission of GHG/sales of the companies that compose the reference index) was 148 tCO2e/M\$ (20% reduction compared to 2019). This metric covers 94% of the fund (89% in 2019), excluding Private Equity. PC30 wants to gradually reduce the value of this intensity metric.

**C2. Risks and opportunities**

**C2.1**

**(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?**

Yes

**C2.1a**

### (C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	3	In the context of climate-related risks and opportunities, CaixaBank considers the 3-years period as short-term. This decision is in line with the time horizon used in the bank's strategic plans and in the Bank's Global Risk Management Plan. Additionally, as can be seen from the short time between the storms Gloria and Filomena, a 1-year interval between the two, which impacted different sectors of the Spanish economy, this 3-year horizon is essential to take into account the risks associated to acute physical events in the Bank's R&O analysis. The Storm Gloria was the most intense in recent decades in Catalonia due to the intensity, persistence, and widespread effects along the Catalan coast. During the 5 days of storm, there were strong winds, snowfalls and intense rains, waves between 5 and 7 meters, disappearance of coastal areas and overflows of rivers. Storm Filomena was an extratropical cyclone in early January 2021 that was most notable for bringing unusually heavy snowfall to parts of Portugal and Spain, with Madrid recording its heaviest snowfall since 1971.
Medium-term	3	6	In the context of climate-related risks and opportunities, CaixaBank considers the 6-years period as medium-term, in line with standard market practices that look at 2030 as an intermediate milestone. This 6-years period is important for the risk assessment process related to changes in the legal framework resulting from climate change issues. The potential increase in the operational cost for CaixaBank's customers to comply with environmental legal requirements could affect their ability to pay, exposing the Bank's portfolio to a credit risk (the possibility of a loss resulting from a borrower's failure to repay a loan or meet contractual obligations).
Long-term	6	80	In the context of climate-related risks and opportunities, CaixaBank considers the long-term period to be the years between the medium-term and 2100 (2026-2100), which explains the value in the previous column (2100-2026=80). This decision is in line with the risk and opportunities analysis which considers, among others, the risks generated by chronic physical events (e.g. increased indirect operational costs as a result of actions taken as a consequence of a future increase in the average and maximum temperatures) and the transition risks that can occur when moving towards a low-carbon economy that can mean, for some sectors (e.g. Oil & Gas, Energy, and Transport sectors), significant impacts on the asset values and/or higher costs of doing business.

### C2.1b

#### (C2.1b) How does your organization define substantive financial or strategic impact on your business?

To define the different financial impacts, CaixaBank has an internal risk categorization by cost regarding operational losses, based on the expected loss and on the value at risk. According to this, risks are categorized as with low criticality (where the expected loss is under 10,000 EUR and the value at risk is under 100,000 EUR), moderate criticality, high criticality and finally very high criticality (where the expected loss is over 1,000,000 EUR and the value at risk is under 10,000,000 EUR).

With regards to the strategic impact of climate risks, the definition is ongoing as it will be the main outcome of the different climate risk scenario analysis that CaixaBank is carrying out with different sectors of its lending portfolio. Results of the two pilots performed during the reporting year, a scenario analysis to assess climate transition risks and opportunities in its energy sector and another to analyze climate change and physical risk variables and their economic impacts on infrastructure of the mortgage portfolio, indicate some initial criteria for qualifying the impacts on the company's strategy. Both analyzes identified segments with high risks that could generate business opportunities or threaten lending portfolio clients and their ability to pay. It was identified that the level of impact of an opportunity or a risk is directly related to the proportion of renewable energies of the analyzed company (Power Utilities Sector) and the level of carbon emission (Oil&Gas sector). In addition, the impacts differ depending on the segments and geographies in which the companies are present. At a qualitative level, different risk time horizons are identified according to sector: the Oil sector suffers large impacts in the short to medium term while in the Gas sector large impacts are identified at longer time horizons. On the other hand, the renewables sector is expected to have a positive impact all over the analysed period.

CaixaBank is planning to expand the scope of its scenario analysis and ultimately include the conclusions of the analysis in its business strategy.

At this moment, and still without a quantitative analysis of the impact dimension, CB expects the importance of an impact on its strategy, to depend on customer characteristics, such as: business segment, proportion of sustainable practices (e.g. % of renewable energy), level of carbon emissions, and geography.

### C2.2

**(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.**

**Value chain stage(s) covered**

Direct operations  
Upstream  
Downstream

**Risk management process**

Integrated into multi-disciplinary company-wide risk management process

**Frequency of assessment**

More than once a year

**Time horizon(s) covered**

Short-term  
Medium-term  
Long-term

**Description of process**

CaixaBank (CB) conducts a self-assessment process every 6 months to identify, assess and classify climate-related risks and opportunities (CC R&O). The process is conducted through internal interviews with the risk department and areas affected by each risk to prioritize the identified risks. The most representative areas and subsidiaries (ERM, CSR, Facilities Management, Building Center, Project Finance, AgroBank, etc) contribute to the identification, weight and prioritization of CC R&O that might have financial or strategic impact on the business. Each area identifies CC R&O according to TCFD categories: Transition and Physical R&O in the areas of Resource Efficiency, Energy Sources, Products and Services, Markets and Resilience. At company level, risk identification includes aspects such as reputation, legal requirements, stakeholder's impact, global expenses and incomes that can affect CB. At asset level, the conducted risk evaluations consider the physical risks such as extreme meteorological phenomena derived from CC that can affect facilities, Central Services buildings or the branch network offices. The risk assessment and management process cover all stages of CB's value chain (direct operations, upstream and downstream) and the short, medium and long-term horizons. Once CC R&O are identified, CB determines the likelihood of their financial impacts in the short, medium or long term (from unlikely to very likely), the gross impact magnitude (from low to high) and the net impact magnitude taking into account management actions. Relevant climate-related risks (CC R) are those likely or very likely with medium to high gross impact. Financial implications of CC R are assessed, qualitatively for all scenarios considered and quantitatively for the most relevant. In this assessment, results from scenario analysis are starting to be considered and results from the extended quantitative analysis are expected to be incorporated as methodologies evolve. After the risk assessment, the lending portfolio is managed with the intention of aligning its indirect impact on climate change with its commitment to sustainability goals. CB actively manages CC R&O through the lines set out in its 2019-2021 Road Map, partially described below (ERM Policy, Governance, Risk Metrics and Taxonomy). (i) The ERM Policy establishes CB's global principles to manage environmental risk. The policy sets criteria for accepting new customers and operations, with general and sector-based exclusions in which CB will not assume associated climate-related credit risk. (ii) The ERM Committee (ERMC), with the support of the Corporate Directorate of Environmental Risk Management, is responsible for analyzing and approving proposals received from the different functional areas concerning CB's climate strategy, and of identifying, managing and controlling the associated risks. The ERMC reports to the Global Risk Committee, reporting directly to the Board of Directors for approval. Therefore, the process to assess and manage CC R&O is integrated into the company-wide risk assessment and management process. (iii) Since 2018, CB has measured its lending exposure highly CO2 emitting activities (carbon-related assets). Supplementary management metrics are currently being developed. In addition, CB uses both a qualitative and quantitative approach (as explained in C-FS2.2b) and a positive and negative screening approach (as explained in C-FS2.2c) to assess climate risk in its lending portfolio (iv) The EU is developing a standard to classify economic activities according to their environmental risk (EU Taxonomy). Once approved, CB intends to implement it and has already established operational and documentary criteria for the classification of operations in the most relevant sectors of its portfolio. In addition, CB joined the EBF/UNEP FI working group to draw up a guide for banking to adapt to the EU taxonomy to core banking products and published a case study to showcase the application of the EU Taxonomy to a mortgage product. Furthermore, during the reporting year, CB participated in a case study by the EBA on taxonomically aligned metrics within the framework of the survey on ESG and CC R disclosures in Pillar 3 and in the EBA 2020 Pilot Position Exercise for a preliminary assessment of banks' exposure to CC R. As a case study of transition risks, CB carried out a pilot scenario analysis to assess climate transition R&O in its energy sector credit portfolio (Oil&Gas and Power Utilities). The analysis methodology is based on the Oliver Wyman/UNEP FI methodology and translates the outputs of the climate change scenarios to recognizable risk factors in the credit analysis to determine future rating projections; these have been estimated using an internally developed tool. Qualitative (heatmaps) and quantitative analysis were carried out for 3 different climate scenarios that assume the achievement of Paris objectives via different paths (Low CDR-Carbon Dioxide Removal 2°C, Low CDR 1.5°C and Immediate 1.5°C). The study involved a detailed analysis of the transition strategies towards a low-carbon economy of a sample of CB's larger exposures (top 9) in the Energy sector (bottom-up analysis). CB also developed a pilot project to analyze physical risk from climate change and their economic impacts on infrastructure. Initial focus of analysis is the bank's mortgage portfolio in Spain. The analysis methodology considers IPCC scenarios RCP 2.6 and RCP 8.5 and studies the 3 main physical risks affecting the analyzed portfolio (Wildfires, Precipitation floods and sea level rise) through most affected financial variables (LGD, EAD, LTV). It uses geolocation variables to describe the portfolio (sampling) under a Business as Usual scenario and involves a detailed analysis of the impacts of physical risks on properties for different time horizons.

**C2.2a**

**(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?**

	Relevance & inclusion	Please explain
Current regulation	Not relevant, included	CaixaBank's process to assess and manage climate-related R&O, in line with the TCFD guidelines, identified that the type of risks resulting from Current Regulation is not as relevant as other types, but is still included in the assessment as an indicator of compliance. Despite low relevance, the bank considers that management of regulatory risks is important to safeguard the Group's legal integrity. There is always a potential loss or decrease in the profitability of the Group as a result of the incorrect implementation of these regulations in the Group's processes and of the inappropriate interpretation of the same in various operations. Therefore, the bank manages to anticipate and mitigate these issues by monitoring regulatory implementation in the banks processes, developing a predictable, efficient and sound legal framework, and implementing measures in the credit process to identify, assess and classify customers and operations according to their compliance with climate-related current regulations. An example, with respect to CaixaBank's own and lending customers operations, is the increased operational costs resulting from the inability to comply with regulations regarding the emission of refrigerant gases, including the substitution of the most pollutant gases or the requirements to prevent leaks, such as the Spanish Royal Decree RD 115/2017 from 17th February. There is a potential operational risk (banks perspective) and credit risk (lending portfolio) for increased costs resulting from the fines established in this Royal Decree, from increased emissions of refrigerant gases from CaixaBank's central services buildings and from our 3,782 offices of the branch network, and from lending portfolio. Another example is the Climate Change and Energy Transition Bill (PLCCTE) approved by Spain in 2020. PLCCTE aims to achieve emissions neutrality by 2050 represents a positioning instrument in terms of modernizing the economy, attracting investment, generating employment and reindustrializing, which incorporates all economic sectors into the climate action in the decarbonization process. Financial institutions, such as CaixaBank, must publish specific targets for the decarbonization of their loan and investment portfolios in line with the Paris Agreement from 2023 onwards. CaixaBank has committed to set these targets already in 2022 as per the Collective Commitment to Climate Action and the most recent signature of the Net Zero Banking Alliance.

	Relevance & inclusion	Please explain
Emerging regulation	Relevant, always included	CaixaBank's process to assess and manage climate-related R&O, in line with the TCFD guidelines, identified that the type of risks resulting from Emerging Regulation is relevant for the Group due to its potential substantial impact on the Group's operational risks due to increasing costs and forcing procedures changes, and credit risks in its lending portfolio due to the possibility that a customer may default on payment due to the increase in its operating cost. The potential losses or decrease in the profitability of the Group because of changes in legislation is relevant and CaixaBank believe that legal and regulatory risks need to be managed to safeguard the Group's legal integrity and to anticipate and mitigate future economic harm by monitoring regulatory changes, participating in public consultation processes, helping to build a predictable, efficient and sound legal framework, and interpreting and implementing regulatory changes. The Group also tracks the regulatory changes planned, particularly regarding sustainable finance, climate-related obligations, and environmental corporate governance. As an example, with regards to CaixaBank's own operations and lending portfolio, is the operational risks and credit risks associated with the increased indirect operational costs due to the potential application of carbon pricing mechanisms such as tax increases on electricity, fuels and water (related to price of HVAC, transportation, etc.) that would affect Spain. In the reporting year CaixaBank's electricity consumption was 141,359 MWh, so an increase in energy prices in Spain as a result of these potential carbon pricing mechanisms would imply an increase in the electricity costs, both for the central services and for our 3,782 offices of the branch network. This is a potential and relevant risk for the bank based on the evolution of electricity prices in Spain, which increased between 2 and 5% in the period 2008-2016 (source: EUROSTAT). Another example is the publication of the ECB Guide on climate-related and environmental risks. Supervisory expectations relating to risk management and disclosure implies a potential risk in case of non fulfillment, given that the ECB has announced that the guide will be included in the SREP process, which could potentially imply capital add-ons in case of non-fulfillment. CaixaBank has already performed a self-assessment exercise and set up action plans in order to comply with the 13 expectations in the guide.
Technology	Not relevant, explanation provided	CaixaBank's process to assess and manage climate-related R&O, in line with the TCFD guidelines, identified this category more as an opportunity rather than a risk, and therefore Technology as a risk type is not considered relevant and thus not included in our risk assessment. The Group see Technology as an opportunity to increase digitalization of its processes and services: for example, through increased use of the mobile phone's APP by its digital customers, which in addition allows to achieve a reduction in the overall emissions related to the customer's travel to bank branches.
Legal	Not relevant, included	CaixaBank's process to assess and manage climate-related R&O, in line with the TCFD guidelines, identified that the type of risks resulting from climate-related litigation claims (Legal Risks) is not as relevant as other types in internal operations, but is relevant for the lending portfolio and is included in the assessment as an indicator of customers compliance with climate-related legal framework. Although of low internally relevance, the bank considers that management of legal risks is important to safeguard the Group's legal integrity. Regarding the lending portfolio, the risks are relevant and measures is implemented in the credit process to identify, assess and classify customers and operations according to their compliance with climate-related legal framework. As an example of this risk type, the potential increased costs for CaixaBank's customers in order to comply with environmental legal requirements, such as in the energy and utilities sector, as well as the transport, chemical and livestock sector, which can potentially be affected. The scenario analysis carried out with the energy and utilities sector indicates that the legal requirements can be aggressive depending on the level of immediacy and activity of transition policies towards a low carbon economy. In any case, significant impacts in these sectors are already expected in the medium term. Thus, this is an example of a potential credit risk associated with our client's inability to comply with general environmental regulations, that could lead to withdrawal of environmental or operational permits and consequentially, this could affect their solvency, and therefore generate a risk of credit repayment. This risk could also affect, for example, one of CaixaBank's subsidiary, Agrobank, a business line specialized in the agricultural sector as well as in the agro-food industry. Although Agrobank currently assesses this risk with a low probability of occurrence, as in general its customers can comply with current environmental regulations, we still consider this risk in our assessment.
Market	Relevant, always included	CaixaBank's process to assess and manage climate-related R&O, in line with the TCFD guidelines, identified that the type of risks resulting from Market changes is relevant for the Group due to its potential substantial impact on the Group's operational risks (increasing costs and forcing procedures changes), Group's product portfolio (changes in demand for products related to high carbon intensity activities), and credit risks in its lending portfolio due to the carbon-intensive customer's default on payment. There is an increasing risk in the market that some of the bank's current carbon-intensive clients (credit portfolio companies with a high exposure to CO2 emissions) will become more exposed to transition risks as a result of climate change and less profitable. Consequently, rating agencies will lower their rating, making it more difficult for these companies to access loans or other financial products. In this sense and considering CaixaBank's current exposure to such activities (about 2% of the total portfolio of financial instruments), there is a potential risk associated with the loss of profits of these clients, since CaixaBank may be led to exclude then to reduce the risk of this part of bank's lending portfolio. Another example, the increased production costs due to changing input prices (e.g. water or raw materials for cement production) and output requirements (e.g. water treatment or concrete manufacturing) for CaixaBank and the customers and/or companies in the investing portfolio depending on natural resources that affect their credit solvency. This risk could potentially affect one of CaixaBank's subsidiary, Agrobank, a business line specialized in the agricultural sector as well as in the agro-food industry. To mitigate the impact from this loss of value, with impact on results or solvency of a portfolio (set of assets and liabilities), due to unfavorable movements in prices or market rates, CaixaBank has a team dedicated to climate risk management that works to keep the risk low, stable, and within the established risk appetite limits. In addition, improvement of the tool to access external sources and investments in IT systems are being rolled out.
Reputation	Relevant, always included	CaixaBank's process to assess and manage climate-related R&O, in line with the TCFD guidelines, identified that the type of risks resulting from Reputation aspects is relevant for the Group due to changes in the sensitivity of stakeholders and clients to climate-related aspects that may be critical and might impose stress on its future profitability and sustainability. Reputation risks can increase market risks and, to a certain extent, liquidity risk. As an example, the reduced revenues from services and products of CaixaBank (CB) due to a bad perception of customers about CB's products adapted to the sustainable and climate approach they are seeking, especially the products linked to carbon intensity activities. To mitigate this risk type and enhance related opportunities, the Group has been offering green products and services for many years now. However, these products could be directly affected by the change on the consumers' behavior, which may require a broader range of low carbon products and services, or improved versions of them. If this is the case, CB would see its revenues from some this products and services reduced. Another important risk identified is the potential deficiencies in the accuracy, integrity and criteria of the process used when preparing the data and information necessary to evaluate the financial, lending portfolio and equity position of the CaixaBank Group, as well as the information disclosed to market and stakeholders that offers a holistic view of positioning in terms of climate change and sustainability and that is directly related to environmental, social and governance aspects (ESG principles). These deficiencies have a high potential for impact on the bank's reputation and, therefore, considered relevant in the climate-related risk assessment. The risk affecting the Reliability of Non-Financial Information was added to the Corporate Risk Taxonomy in the reporting year and a new policy was established. CB has developed a continuous system for measuring and analyzing the Group's reputation based on the Global Reputation Index (GRI) and in a Reputational Risk Response Service, applying qualitative and quantitative criteria to monitor and manage its corporate reputation, reporting its status and evolution to the governing bodies. The GRI is a metric of the Strategic Plan and, together with the Materiality Study, allows to capture the sensitivity of stakeholders to different aspects that may be critical for CaixaBank.
Acute physical	Relevant, always included	CaixaBank's process to assess and manage climate-related R&O, in line with the TCFD guidelines, identified that the type of risks resulting from Acute Physical events is relevant for the Group due to the potential increase in operating costs and the inability to do business, both for the Bank's own operations and for those of its lending portfolio customers. An example of this risk type is the increase in operating costs and the inability to do business as a result of extreme weather events that may cause severe damage to CB's assets and those of its client and affect the business continuity. IPCC predicts for the Mediterranean region, where CaixaBank operate, a future increase in the frequency and intensity of extreme weather events such as extreme precipitation, floods and others, which might affect the business continuity of CaixaBank central services (SSCC) buildings and/or Data Processing Centers (able to carry out more than 11,000 transactions per second) and its client's facilities in Spain. This would mean a decrease in revenues from sale of products or services, and an increase in operational costs from the inability to carry out any transactions, or any of daily business actions. Storms Gloria and Filomena are examples of this kind of events that happens in the last years in Spain. Additionally, another important example is related to the common practice of using properties as collateral for private and corporate loans. If a region becomes more exposed to climate-related natural disasters such as floods or windstorms, property prices could go down, which could result in a loss of confidence in the local economy and may even trigger a credit crunch.
Chronic physical	Not relevant, included	CaixaBank's process to assess and manage climate-related R&O, in line with the TCFD guidelines, identified that the type of risks resulting from longer-term shifts in climate patterns (Chronic Physical) is not as relevant as other types, but is still included in the assessment as an indicator of the financial health of its operations and its lending portfolio. The increase in costs of its own operations and of its lending portfolio resulting from chronic physical events, such as rising temperatures, could affect the financial health of the Bank and its customers. An example of this risk type, with regards to CaixaBank's own operations, is the increase in indirect operational costs as a result of increased refrigeration consumption at the 3,782 offices of the branch network. IPCC predicts for the Mediterranean region, where bank operate, a future increase in the mean and maximum temperatures, which would lead to a higher consumption of our refrigeration equipment at our offices in Spain. As a result of the increasing temperatures and increased refrigeration consumption CaixaBank would potentially see an increase in its electricity costs, as well as increase in greenhouse gas emissions. The same is true for CaixaBank lending portfolio. Another example of a chronic physical risk is the inability to do business and respective reduced revenues of the lending clients in "high-risk" locations such us facilities in flood areas or agricultural crops that could be affected by the increase in the frequency and intensity of droughts, fires or hail in Spain. According to IPCC, these climate events will increase in frequency and intensity in the Mediterranean region in the future. This risk could potentially affect, for example, one of CaixaBank's subsidiary, Agrobank, a business line specialized in the agricultural sector as well as in the agro-food industry. Although the risk is considered not relevant at this time, CaixaBank is carrying out scenarios analysis from different economic sectors in order to better measure this risk and perhaps reconsider its relevance.

C-FS2.2b



**(C-FS2.2b) Do you assess your portfolio's exposure to climate-related risks and opportunities?**

	We assess the portfolio's exposure	Please explain
Bank lending (Bank)	Yes	CB is analyzing climate risk transition scenarios with a qualitative and quantitative approach based on participation in the UNEP FI working group. The qualitative analysis focuses on the Energy, Transport and Construction sectors and identifies the segments potentially most affected by transition risk by studying their main drivers and establishing heatmaps for different time horizons (2025, 2030, 2040 and 2050), geographies and climate scenarios, taking into account the characteristics of CB's loan portfolio. The quantitative analysis has so far focused on the Energy sector, differentiating between Oil & Gas and Power Utilities. The analysis assesses how climate transition risk can be translated into key financial metrics for a sample of companies in the short, medium and long term, under 3 different transition scenarios (Low CDR 2°C, Low CDR 1.5°C and Immediate 1.5°C). The REMIND IAM model by Potsdam Institute for Climate Impact Research, which integrates climate and macroeconomic models, is taken as the basis. The study involves a detailed analysis of the transition strategies towards a low-carbon economy of a sample of CB's large exposures customers. The analysis is complemented by an engagement process, which is materialized through meetings with the customers, incorporating their positions on CC. Based on the study of the energy portfolio, the extension of the analysis to other relevant sectors in terms of climate transition is currently being prepared. Similarly, the decarbonization path has been monitored based on the strategic plans of the main companies in the sectors analyzed, to ensure the resilience of the Entity's strategy. Regarding the assessment of physical risks derived from CC, the initial focus of analysis is the mortgage portfolio. The preliminary qualitative analysis has been carried out, which identifies exposure by geographical risk areas under various climate scenarios for the main physical risks affecting the portfolio (rise in sea level, floods and fires). It implies mapping CB exposition against climate projection maps for the risks under a particular temperature scenario. Data for the projections have been extracted from public databases (Copernicus and Cordex). Based on the qualitative analysis, a quantitative analysis of these risks is planned out for 2021.
Investing (Asset manager)	<Not Applicable >	<Not Applicable>
Investing (Asset owner)	<Not Applicable >	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable >	<Not Applicable>
Other products and services, please specify	Not applicable	CaixaBank decided to follow the CDP criteria, namely: "At a minimum, select all industry activities for which more than 20% of your organization's revenue in the reporting year is associated". Therefore, Bank Lending, which is the only one that represent more than 20% of its revenues, contains the main financial products and services offered by CaixaBank Group and is already included in the previous organizational activity. Thus, this category is not applicable.

**C-FS2.2c**

**(C-FS2.2c) Describe how you assess your portfolio's exposure to climate-related risks and opportunities.**

	Portfolio coverage	Assessment type	Description
Bank lending (Bank)	Majority of the portfolio	Qualitative and quantitative	In addition to the qualitative and quantitative approach explained in C-FS2.2b, CaixaBank (CB) uses positive and negative screening in the decision-making process when assessing climate risk in its lending and investment portfolio. In the negative screening, the sectors subject to specific exclusions are Energy, Mining, Infrastructure, Agriculture, Fishing, Livestock Farming and Forestry Management (approximately 21% of EAD). The environmental and climate-related risk analysis includes a review of issues related to the categorization of and compliance with the Equator Principles. The analysis of the potential environmental risks and impacts of the projects is carried out in accordance with the International Finance Corporation (IFC) standards. The possible outcomes of this analysis are: (1) Projects with high and irreversible risks and potential impact, where it is not possible to establish a viable action plan, or projects that contravene the Bank's corporate values, are rejected. (2) In other instances, an independent expert is appointed to evaluate each borrower's environmental management plan and system. Projects are classified according to the risks and potential impacts detected in the due diligence process carried out by teams from the commercial and risk areas (IFC standard is applied). (3) Category A and B projects may have potentially significant adverse impacts. In these cases, an action plan must be drawn up to help manage these impacts. The most complex operations are assessed by specialized analysts from the Corporate Directorate of Environmental Risk Management. During the reporting year (RY), a training plan was launched for the Risk Admission Centers, so that the analysts of these centers could help in this classification (630 processes assessed in the RY). Regarding the positive screening, CB has internally approved criteria for considering loans as environmentally sustainable, including: (i) Assets eligible for a Green Bond, according to the Issuance Framework of Bonds linked to CB's Sustainable Development Goals (renewable energy and energy efficiency, certified energy-efficient property, clean mass transport systems, Circular Economy, and protection of healthy ecosystems and mitigation of climate change in the agricultural sector). (ii) Assets certified by a third party in accordance with commonly accepted market standards. (iii) Operations indexed to ESG indexes. (iv) Eco-funding lines for consumer products (household appliances, renovations and energy-efficient vehicles). For Real Estate lending (36% of total customer loans), the energy efficiency certificate of the asset is requested as part of the credit approval process. CB is also testing methodologies to quantify climate transition impact. In this learning process, Scenario Analysis were applied based on the methodology developed jointly by UNEP FI and Oliver Wyman (OW) to analyze the transition risk by calculating the change in the expected loss of a sample of customers within the Energy sector (Oil&Gas and Power Utilities). The following steps were used: (i) Prediction of potential pathways for a set of agreed risk factors under a particular global warming scenario, coming from an external IAM model (REMIND model, Potsdam Institute for Climate Impact Research). IAM models project alternative scenarios for changes in public policies and technologies over periods of 20-40 years to reach different levels of global warming and project possible pathways. The Risk Factor Pathways (RFP) are estimates of the average trajectory for the sector for the transition to a decarbonized economy based on the chosen scenario. Estimates are made for 4 risk factors: Direct and indirect costs of emissions, low carbon CAPEX and revenues. (ii) A qualitative analysis of these 4 risk factors (heatmaps). (iii) The analysis of the current credit risk variables of the customers. (iv) An estimate of how the rating of these customers could evolve in 2025, 2030 and 2040 considering transition risk, taking into account their transition strategy and according to expert criteria. The OW tool modifies the predicted RFPs to adjust them to the portfolio of the bank by considering the current credit risk variables, the future rating estimates of the sample, and the provided heatmaps. The expected change in credit risk variables is based on the resulting adjusted RFPs.
Investing (Asset manager)	<Not Applicable >	<Not Applicable >	<Not Applicable>
Investing (Asset owner)	<Not Applicable >	<Not Applicable >	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable >	<Not Applicable >	<Not Applicable>
Other products and services, please specify	<Not Applicable >	<Not Applicable >	<Not Applicable>

C-FS2.2d

(C-FS2.2d) Do you assess your portfolio's exposure to water-related risks and opportunities?

	We assess the portfolio's exposure	Portfolio coverage	Please explain
Bank lending (Bank)	No, we don't assess this	<Not Applicable>	Despite not specifically focusing on risks and opportunities related to water, hydric stress is considered as one of the 6 environmental objectives in the EU Taxonomy, which we have started to deploy in our credit portfolio. Further, we make an environmental risk assessment during the credit risk approval process as per our Environmental Risk Management Policy. This policy addresses the environmental repercussions of its lending activity to customers and aims to mitigate the impact of climate change, the potentially harmful effects on the environment in general (such as air and water pollution, depletion of natural resources and biodiversity) and the related risks (such as natural disasters). This policy sets out the criteria and procedures to be followed in relation to the funding of certain activities that could have a relatively significant environmental and social impact in the following sectors, which are also related to water: Mining, Energy, Infrastructure, Agriculture, fishing, livestock and forestry. For example, CaixaBank will assume no credit risk in new projects that dump waste into coastal or other shallow waters or that involve the construction of new desalination plants in which no measures are envisaged to mitigate the adverse impacts arising from the disposal of brine and/or of the capture of seawater (in accordance with the Water and Sanitation Environmental, Health and Safety Guidelines of the International Finance Corporation). Furthermore, regarding water-related opportunities, AgroBank (CaixaBank's business line specialized in the agricultural sector as well as in the agro-food industry) has an EcoFinancing line for farming projects for efficient water use, thus creating a positive impact on the organization resulting from improved water security.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	<Not Applicable>	CaixaBank decided to follow the CDP criteria, namely: "At a minimum, select all industry activities for which more than 20% of your organization's revenue in the reporting year is associated". Therefore, Bank Lending, which is the only one that represent more than 20% of its revenues, contains the main financial products and services offered by CaixaBank Group and is already included in the previous organizational activity. Thus, this category is not applicable.

C-FS2.2e

(C-FS2.2e) Do you assess your portfolio's exposure to forests-related risks and opportunities?

	We assess the portfolio's exposure	Portfolio coverage	Please explain
Bank lending (Bank)	No, we don't assess this	<Not Applicable>	We do not specifically focus on risks and opportunities related with Forests. However, we make an environmental risk assessment during the credit risk approval process as per our Environmental Risk Management Policy. This policy addresses the environmental repercussions of its lending activity to customers and aims to mitigate the impact of climate change, the potentially harmful effects on the environment in general (such as air and water pollution, depletion of natural resources and biodiversity) and the related risks (such as natural disasters). This policy sets out the criteria and procedures to be followed in relation to the funding of certain activities that could have a relatively significant environmental and social impact in the Agriculture, fishing, livestock and forestry sector, as well as other sectors such as Mining, Energy and Infrastructure. For example, CaixaBank will assume no credit risk in new projects related to land clearing by burning or projects for commercial palm oil plantations, if swamps or peat-rich areas are drained and do not have a peat management system in place. Also, CaixaBank commits not to engage in the lending for activities that imply a negative impact on areas included on the UNESCO World Heritage List, wetlands registered by the RAMSAR Convention, Alliance for Zero Extinction sites, protected areas under categories 1-4 of the IUCN, marine protected areas, primary tropical rainforests, primary or high conservation value forests or old-growth forests as defined by the World Resource Institute.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	<Not Applicable>	CaixaBank decided to follow the CDP criteria, namely: "At a minimum, select all industry activities for which more than 20% of your organization's revenue in the reporting year is associated". Therefore, Bank Lending, which is the only one that represent more than 20% of its revenues, contains the main financial products and services offered by CaixaBank Group and is already included in the previous organizational activity. Thus, this category is not applicable.

C-FS2.2f

**(C-FS2.2f) Do you request climate-related information from your clients/investees as part of your due diligence and/or risk assessment practices?**

	We request climate-related information	Please explain
Bank lending (Bank)	Yes	The ERM Policy establishes the Group's global principles for managing environmental risk. The policy institutes the criteria for accepting new customers and operations, with general and sector-based exclusions in which CaixaBank will not assume the linked climate-related credit risk. When assessing a customer in the lending and investment process, the Group uses questionnaire and meetings to prospect information and to feed the client screening, risk assessment and due diligence processes. The questionnaire is used to identify, assess and classify customers and operations according to their climate and environmental risks, and forms part of the environmental and climate-related risk analysis that is part of the credit process for business and corporate customers. The client questionnaire is used to assess the following questions during the client onboarding (Due Diligence): (i) compliance with CaixaBank's Environmental Risk Management Policy (in terms of general and sector specific exclusions); (ii) Environmental risk, based on the activity, ESG management, sanctions, etc. and (iii) GHG emissions. The questionnaire is reviewed on a yearly basis. Based on the questionnaire an environmental risk assessment is generated. In addition to the client questionnaire, during the credit approval process, the specific transaction is assessed as well in accordance with the ERM Policy. The assessment of environmental risk in the credit approval process is currently being rolled out by phases. The assessment is carried out based on an environmental risk assessment questionnaire, where the exclusions defined in the policy are reviewed and the environmental risk is assessed in 5 categories. In addition, and as part of the scenario analysis process within the framework of the UNEP FI pilot (explained above), the risk of climate transition in the utilities and oil & gas sectors has been assessed and the Top 9 clients in these sectors have been analyzed individually. To complete this analysis, meetings were held with the clients to get their vision on their exposure to climate risks in the short, medium and long term and their decarbonization strategies. CaixaBank plans to extend these engagement actions to other relevant clients.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	CaixaBank decided to follow the CDP criteria, namely: "At a minimum, select all industry activities for which more than 20% of your organization's revenue in the reporting year is associated". Therefore, Bank Lending, which is the only one that represent more than 20% of its revenues, contains the main financial products and services offered by CaixaBank Group and is already included in the previous organizational activity. Thus, this category is not applicable.

**C2.3**

**(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes

**C2.3a**

**(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**

Risk 1

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type & Primary climate-related risk driver**

Emerging regulation	Carbon pricing mechanisms
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**Primary potential financial impact**

Increased indirect (operating) costs

**Climate risk type mapped to traditional financial services industry risk classification**

Operational risk

**Company-specific description**

This risk is associated to the increased operational costs for CaixaBank due to the potential application of carbon pricing mechanisms such as tax increases on electricity, fuels and water (related to price of HVAC, transportation, etc.) that would affect Spain, where we operate. In the reporting year CaixaBank's electricity consumption was 141,359 MWh, so an increase in energy prices in Spain as a result of these potential carbon pricing mechanisms would imply an increase in our electricity costs, both for the central services and for our 3,782 offices of the branch network. This increase in our operating costs, derived from carbon pricing mechanisms, may arise from government measures (taxes), market causes or a combination of both. CaixaBank is already mitigating this risk through its Environmental management plan 2019-2021 (and the previous plans from previous years), implementing several energy efficiency measures, which in the reporting year included replacing fluorescent lights with LED lighting, replacing HVAC equipment with more efficient equipment, presence sensors and automatic light shut-off, single shut-off switches associated with the alarm connection, hibernation strips for peripheral circuits, replacement of computer equipment, and the implementation of the automation project that allows it to monitor energy consumption in corporate buildings and the branch network, evaluate the energy savings of the measures implemented and define new efficiency initiatives.

**Time horizon**

Short-term

**Likelihood**

Very likely

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

403613

**Potential financial impact figure – maximum (currency)**

1009033

**Explanation of financial impact figure**

It is difficult to predict exactly how will these potential carbon pricing mechanisms materialize in the future, due to the many factors that affect it. To make an estimation, we assume a proportional increase in the electricity prices affecting Spain between 2 and 5%, based on the evolution of electricity prices in Spain in the period 2008-2016 (source: EUROSTAT). Considering that the energy cost in the reporting year was €20,180,659, the estimated financial implications are a yearly operational cost increase of around €403,613 to €1,009,033. These values reported (minimum and maximum) have been obtained by applying a 2% and a 5% increase to the total energy costs in the reporting year, respectively.

**Cost of response to risk**

3300000

**Description of response and explanation of cost calculation**

The cost of managing this risk is directly associated to the investment in energy efficiency. Since 2017, CaixaBank has had in place an Energy Committee in addition to the Environmental Committee, which is charged with supervising the optimization of the bank's energy management. Moreover, CaixaBank renewed its Environmental and Energy Policy in 2018, reinforcing its commitment with promoting the purchase of energy efficient products and services designed to improve and optimize energy use. In the reporting year the investment in energy efficiency represented around €3,300,000 for CaixaBank. This budget includes the automation project in our branch network to reduce electricity consumption, including, among other things, the installation of presence sensors and automatic light shut-off, single shut-off switches associated with the alarm connection, and hibernation strips for peripheral circuits (which represents around 24% of this total cost), the replacement of fluorescent lights with LED lighting in the renovation of two floors of the Central Services Buildings, and the replacement of 70 high-energy consumption air conditioning units with more efficient ones in the branch network in Spain (76% of total cost). These projects achieved in the reporting year an overall energy consumption reduction of 3,994 MWh (See question C4.3b for more details). The energy consumption has decreased yearly as a result of the implementation of these energy efficiency projects, and the bank will continue to work in this line to reduce energy consumption and mitigate this risk.

**Comment**

In addition, >99 % of the energy consumed is from renewable sources, which is currently a way of mitigating part of this risk too. Note: The lifetime of these initiatives ranges from 6-15 years.

**Identifier**

Risk 2

**Where in the value chain does the risk driver occur?**

Downstream

**Risk type & Primary climate-related risk driver**

Market	Other, please specify (Worsen rating conditions from current carbon-intensive clients due to higher transition risk profiles. Unacceptable risk-reward conditions, limiting the lending portfolio. )
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**Primary potential financial impact**

Reduced profitability of investment portfolios

**Climate risk type mapped to traditional financial services industry risk classification**

Credit risk

**Company-specific description**

There is a risk that some of CaixaBank current carbon-intensive clients (credit portfolio companies with a high exposure to CO2 emissions) will be affected by market changes resulting, for example, from carbon regulations or changes in the demand of carbon-intensive products in the future. There is an increasing risk in the market that some of the bank's current carbon-intensive clients will become more exposed to transition risks as a result of climate change and less profitable. Consequently, rating agencies will lower their rating, making it more difficult for these companies to access loans or other financial products. Since 2018 CaixaBank measures the exposure of its lending portfolio to economic activities considered to be linked to high CO2 emissions. In the reporting year, such activities accounted for around 2% of the total financial instruments' portfolio (credit, equity and fixed income), a metric disclosed in CaixaBank's 2020 Management Report following TCFD recommendations and detailed in C-FS14.1b of this questionnaire. In this sense, considering bank's current credit portfolio exposure to these activities and a business-as-usual approach, there is a potential risk associated to a loss of profits from these clients with a high exposure to market changes driven by climate change, as CaixaBank might be driven to de-risk this part of its lending portfolio, representing a reduction in the group's profits from these companies.

**Time horizon**

Long-term

**Likelihood**

More likely than not

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

64700000

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

The estimated financial impact of this potential risk is associated to the decreased revenues from our carbon-intensive client segments, assuming a reduction of these more

carbon exposed companies from our credit portfolio. As a first approximation to calculate the potential financial impact of this risk we used CaixaBank's carbon-intensive exposure (credit, equity and fixed income), which accounts for around 2% of the total financial instruments' portfolio, as disclosed in the 2020 Management Report following TCFD recommendations. On the other hand, we have used CaixaBank's gross balance sheet interest margin (0.96%) as disclosed in the 2020 Management Report. These two values allow us to estimate the value at risk due to this transition risk, which accounts for around €64.7 million, as a potential gross profit loss for the Group. The calculation to obtain this value, which considers a worst-case scenario, is as follows: Value at Risk due to climate risk (Potential missed gross profit) = Carbon intensive financial instruments portfolio (2% of the total financial instruments' portfolio) x Gross Balance Sheet Interest Margin (0.96%). Note: In the "primary potential financial impact" column we have selected the option that more closely describes the estimated financial impact. However, note it is not a reduction of profitability of our investment portfolio, but a reduction in size of the lending portfolio due to the exclusion of "high carbon-intensive companies".

**Cost of response to risk**

500000

**Description of response and explanation of cost calculation**

CaixaBank (CB) is already managing this risk by measuring since 2018 the exposure of its lending portfolio to economic activities considered to be linked to high CO2 emissions, following TCFD recommendations. Such activities accounted for around 2% of the total financial instruments' portfolio in the reporting year. This risk metric is complemented by an additional carbon-intensity metric (non-public) to monitor the carbon intensity of aggregated exposure in accordance with the risk appetite. The metric was approved by CB's Global Risk Committee and has already been implemented. The scenario analysis started in 2019 is also aimed at identifying and managing the portfolio exposure to climate risk. This exercise is being carried out by phases prioritizing the sectors with a higher potential transition risk in our portfolio (see question C3.1b). On the Business side, CB already has specialist staff in some of the business segments which are most sensitive from the viewpoint of climate risk, including the real estate sector, infrastructure and energy projects and agriculture, with a view to facilitating customer engagement in the transition to a low-carbon economy. During the reporting year, a training plan was launched for the Risk Admission Centers and the International Branches, so that the analysts of these centers could help in the climate-related risk classification. As part of the scenario analysis carried out, workshops have been held with customers of the Energy sector to get their view around transition risk and their decarbonization strategies. Currently, CB has 12 Full time employees (FTEs) dedicated to risk management, decision and advisory with regards to climate risks. In addition, a dedicated Sustainable Finance Team (3 FTEs) was set up to pursue business opportunities, which among others, will help to balance the current exposure to high carbon activities. In 2021, CB plans to expand the board of directors with a specialized committee on sustainability and climate change to be chaired by a newly appointed Chief Sustainability Officer. In addition, improvement of the tool to access external sources and investments in IT systems are being rolled out. The management cost of this risk (€500,000 per year) has been estimated on a best effort basis considering the IT adaptations needed and the implementation of processes and methodologies (€200,000), the access to external data and information resources (€100,000) and 3 equivalent FTEs (€200,000).

**Comment**

Other actions we are carrying out to manage this risk: -The Environmental Risk Management Policy, approved by the Board of Directors in February 2019, regulates the financing of certain companies and projects representing a potential ESG risk, including climate change risks, establishing the requirements under which CaixaBank will not assume credit risk. -In 2019 we signed the UN Collective Commitment to Climate Action to align our portfolio to reflect and finance the low-carbon, climate-resilient economy required to limit global warming to below 2°C. - In April 2021, the Net Zero Banking Alliance was subscribed with CB as one of its founding signatories.

**Identifier**

Risk 3

**Where in the value chain does the risk driver occur?**

Downstream

**Risk type & Primary climate-related risk driver**

Reputation	Increased stakeholder concern or negative stakeholder feedback
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**Primary potential financial impact**

Decreased revenues due to reduced demand for products and services

**Climate risk type mapped to traditional financial services industry risk classification**

Reputational risk

**Company-specific description**

CaixaBank identified risks resulting from Reputation as relevant due to changes in the sensitivity of stakeholders and clients to climate-related aspects that may be critical and might impose stress on its future profitability and sustainability. Reputation risks can increase market risks and, to a certain extent, liquidity risk. An example would be a decrease in revenues resulting from a bad perception of CaixaBank's products and services if these do not meet the sustainability and climate standards that our customers are seeking, especially for products linked to carbon intensity activities. To mitigate this risk and enhance related opportunities, the Group has been offering green products and services for many years now, e.g.: ecoLoans, ecoMicrocredits (which are offered to finance environmentally friendly vehicles, home improvements to raise energy efficiency, among others), ecoFund (which invests only in environmentally friendly assets and stocks), green accounts (which collaborate with WWF and sustainable development), green bonds, among others. However, these products could be directly affected by the change on the consumers' behavior, who could potentially demand a wider range and improved versions of low carbon products and services. If this is the case, CaixaBank would see its revenues from some products and services reduced. Customers may opt for other banks that offer the sustainable approach in the services they are seeking. Considering the awareness of CaixaBank stakeholders, products and services related by Climate change and the environmental performance are key aspects to maintain the ability to do business. Customer's purchase or investment decisions can be based on an environmental performance of the bank and are very important for the successful development of CaixaBank and its subsidiaries. Another important risk identified is the potential deficiencies in the accuracy, integrity and criteria of the process used when preparing the data and information needed to evaluate the financial, lending portfolio and equity position of the Group, as well as the information disclosed to market and stakeholders that offers a holistic view of positioning in terms of climate change and sustainability and that is directly related to environmental, social and governance aspects (ESG principles). These deficiencies have a high potential for impact on the bank's reputation and, therefore, considered relevant in the climate-related risk assessment.

**Time horizon**

Medium-term

**Likelihood**

Likely

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

91603200

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

The main financial implications of this risk would be the reduction of revenues from the reduced demand for products and services. As an estimation for this value, we consider consider CaixaBank's (CB) gross balance sheet interest margin (0.96%) as disclosed in the 2020 Management Report and CaixaBank's total volume of environmentally sustainable activities in the reporting year, which was of €9,542 million. CB has calculated this volume considering the following: -Real Estate Financing Energy Efficient: Operations for which there is documentary evidence of an A or B rating energy efficiency certificate are considered environmentally sustainable. In the reporting year, €1,001 million in operations was included as part of developments formalized, and €306 million in commercial properties financed with A or B rating. - Renewable Energies project Finance (wind, photovoltaic, etc.): In the reporting year, the bank helped to finance 39 projects for a total of € 3,163 million, funding 5,730 MW of installed capacity. Renewable energy portfolio exposure represents 81% of the total finance energy project portfolio. -Loans classified as "green" according to the Green Loan Principles (GLP) established by the Loan Market Association. The eligible projects or assets include: renewable energy, energy efficiency, sustainable transport, reduction among others. In the reporting year, CB granted 24 green loans for a volume of €2,021 million in volume. All these loans obtained the Green Certificate, based on the criteria of the Green Loan Principles. -EcoFinancing with the following specific lines: purchase of efficient vehicles and domestic appliances, home improvements to increase energy efficiency, investments to improve resource efficiency or ensure a smaller environment impact, and sustainable development farming projects. In the reporting year, the Company granted a total of 788 loans for €54 million. -Loans referenced to sustainability variables: In the reporting year CB granted 32 loans linked to ESG indexes or environmental indicators for a total of €2,997 million which were conditional upon recognition of good performance by the company regarding sustainability, measured according to ESG criterias applied by independent bodies.

**Cost of response to risk**

644710

**Description of response and explanation of cost calculation**

In order to mitigate this risk, the Group identifies the stakeholders that would mostly influence the decrease of the demand in CaixaBank's products (investors, clients, organizations). CaixaBank promotes the offer of green products, such as EcoMicrocredits, ecoLoans, the Green account of MicroBank, the Microbank Ecological Fund, among others, as explained in the description column. CaixaBank has a Product Committee, who has the responsibility to approve new products or services designed and/or marketed by the Bank, after analyzing the features and risks associated with each product, its suitability for its target market and its compliance with consumer protection and transparency rules. Also, in CaixaBank there is a specific team that manages ESG risk and attends inquiries from the branch network through a reputational risk service, a new service created in 2017. Also, in 2017 a new Committee to deal with all issues related to corporate social responsibility and reputation (ESG) of the Group companies was created, in a quarterly basis. The management of this risk is €644,710, which has been estimated considering the 10 managers working in these matters on developing the Corporate Social Responsibility and the average annual salary at CaixaBank in the reporting year, which was € 64,471 (calculation as follows: € 64,471 \* 10 managers = €644,710). The costs of offering the Green Account and EcoMicroCredits are part of the regular business.

**Comment**

Here are other actions the Group carries out to manage this risk: If any department of CaixaBank has a slightest suspicious about a possible ESG risk, they contact Compliance department and a dedicated team at the CSR department in order to make sure before the approach to Risk Concession. The Group also develops targets in its Environmental Statement and improve the inclusion and better performance in Sustainability Indexes (FTSE4Good, DJSI, ASPI, etc.). In addition, CaixaBank is periodically improving procedures to implement the Equator Principles and progresses in the implementation criteria during the process of financing other areas. The Corporate Responsibility and Reputation Committee of CaixaBank was restructured in 2017, providing it with an executive role and with a monthly frequency. Finally, CaixaBank plans to expand the board of directors in 2021 with a specialized committee on sustainability and climate change to be chaired by the newly appointed Chief Sustainability Officer.

**Identifier**

Risk 4

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type & Primary climate-related risk driver**

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods
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**Primary potential financial impact**

Increased indirect (operating) costs

**Climate risk type mapped to traditional financial services industry risk classification**

Operational risk

**Company-specific description**

The risk is associated with the increase in operating costs due to the inability to do business as a result of extreme weather events that may affect the business continuity of CaixaBank and its clients. IPCC predicts for the Mediterranean region, where CaixaBank operate, a future increase in the frequency and intensity of extreme weather events such as extreme precipitation, floods and others, which might affect the business continuity of CaixaBank central services (SSCC) buildings, 3,782 offices of the branch network and/or Data Processing Centers (DPC) and its client's facilities in Spain. CaixaBank's Data Processing Centers (DPC) can carry out more than 11,000 transactions per second. The main consequences of extreme weather events affecting our DPC or SSCC for CaixaBank would be the inability to do business, not at our offices of the branch network, nor at the corporate buildings in Spain nor online through our website or mobile app. This would mean a decrease in the selling of any products or services, carry out any transactions, or do any of daily business actions, which would imply high operational costs. The Storms Gloria and Filomena are good examples of this kind of events that happens in the last years in Spain.

**Time horizon**

Medium-term

**Likelihood**

Likely

**Magnitude of impact**

High

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

435500000

**Potential financial impact figure – minimum (currency)**

&lt;Not Applicable&gt;

**Potential financial impact figure – maximum (currency)**

&lt;Not Applicable&gt;

**Explanation of financial impact figure**

As mentioned, this risk could affect CaixaBank due to a temporal reduction in the amount of daily business and in the inability to work in the offices that could become affected by a shutdown of the systems as a result of extreme meteorological phenomena. The financial implications are estimated considering different scenarios of failure in the IT systems in case of a catastrophic climate event that would damage and impact our central services (SSCC) buildings in Spain or the Data Processing Center (DPC), which would have an associated increase in our indirect operating costs. Taking the most severe of the scenarios we carried out (critical failure of our IT systems), the financial impact is estimated to be of around €435.5 million (frequency 1/100).

**Cost of response to risk**

3770000

**Description of response and explanation of cost calculation**

CaixaBank has implemented a Business Continuity Management System according to ISO22301:2012 certified by BSI. This action allows the group to continue with daily work even after unusual incidents such as fires, floods, etc. CaixaBank has built 3 Data Processing Center (DPC) since 2012, where the bank considered measures to minimize possible damages of extreme climatic parameters that could occur in the place where the buildings were constructed. With the third DPC, the probability of this risk affecting the Group decreases even more. Before choosing the location of new DPCs, CaixaBank Facilities Management develops viability studies considering climate parameters. In terms of security, these centers have flood alarms and fire alarms in order to prevent associated risks to extreme weather events. Also, CaixaBank was designated as Critical Operator in July 2017 due to the implementation of the EU Council Directive 2008/114 on the identification and designation of European critical infrastructures and the assessment of the need to improve their protection. This Law, as well as the Spanish Committee on Business Stability (CESFI), requires CaixaBank to have Security and Protection Plans regarding its DPCs, including their installations in parallel connection in order to have a back-up and avoid possible breaks. The cost of managing this risk is €3.77 million, which corresponds to the cost of investment of the DPC and its annual maintenance cost.

**Comment****C2.4****(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes

**C2.4a****(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.****Identifier**

Opp1

**Where in the value chain does the opportunity occur?**

Direct operations

**Opportunity type**

Resource efficiency

**Primary climate-related opportunity driver**

Use of more efficient production and distribution processes

**Primary potential financial impact**

Reduced indirect (operating) costs

**Company-specific description**

This opportunity is associated to the reduced operational costs due to the implementation of Voluntary Standards such as ISO14001, ISO 50001, Ecolabels and EMAS, (established in CaixaBank since 2003, 2017 and 2004 respectively), which helps to reduce operational costs related to energy, water and paper consumption, emissions, etc. In a world increasingly aware of the need to protect the environment in which we live and carry on our activities, and as part of our on-going improvement policy, CaixaBank specified its actions to respect and protect the environment through the implementation of an environmental and energy management system, in line with the European regulation EMAS 1505/2017, and the ISO 14001 and ISO 50001 standards. This aspiration is reflected in the other responsible policies of the company, such as the Code of Business Conduct and Ethics, the Corporate Social Responsibility Policy and the Declaration on Climate Change. As a result of the implementation of these voluntary standards, CaixaBank has reduced its electricity consumption by 7% in the reporting year compared to 2019 (141,360 MWh in the reporting year compared to 151,690 MWh in 2019), avoided the consumption of 10,669, kg of paper, 42% reduction in the generation of toner waste compared to 2019, as well as achieved a 18% reduction in the volume of plastic waste generation, 14% reduction in the volume of water consumption, among others. CaixaBank will continue to implement these standards.

**Time horizon**

Short-term

**Likelihood**

Likely

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

666397

**Potential financial impact figure – minimum (currency)**

&lt;Not Applicable&gt;

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

As mentioned, as a result of the implementation of these voluntary standards, CaixaBank has reduced its electricity consumption by 7% in the reporting year compared to 2019 (141,360 MWh in the reporting year compared to 151,690 MWh in 2019). Last year, thanks to the implementation of several energy efficiency measures, cost reductions amounted to € 623,008. In this sense, the financial implications of this opportunity are associated to the reduced operating costs as a result of these energy savings achieved through the implementation of several energy efficiency actions, both in our Branch network offices and in our corporate buildings in Spain. Added to this value, are the savings resulting from the reduction in paper (€9,389) and tonners (34,000) consumption. Taking the savings of the reporting year, this cost reduction was around € 666,397, thanks to the targets established through the Voluntary Standards. The value of the savings related to energy efficiency has been calculated adding the cost savings of several measures implemented in the reporting year, and included in the CDP question C4.3b, which specifically are: implementation of an automation project in our Branch network (representing the 85% of the total reduced indirect costs), replacement of fluorescent lights with LED lighting in the renovation of two floors and the replacement of high-consumption air conditioning equipment (8.5% of the total reduced indirect costs).

**Cost to realize opportunity**

3300000

**Strategy to realize opportunity and explanation of cost calculation**

The realization of this opportunity is ensured by the environmental and energy management system implemented, in line with the European regulation EMAS 1505/2017 and the ISO 14001 and ISO 50001 standards, also reflected in other policies of the entity, such as the Code of Business Conduct and Ethics, the Corporate Social Responsibility Policy and the Declaration on Climate Change. CaixaBank annually revise its Environmental Declaration, which is public on the website, and establish and monitor energy efficiency targets, among others. In this sense, several energy efficiency projects have been implemented in the past years, related to efficient lightning, automation and climatization. In the reporting year, the implementation of the automation project that allows it to monitor energy consumption in corporate buildings and the branch network, evaluate the energy savings of the measures implemented and define new efficiency initiatives started in 2019 has continued. Furthermore, the following actions were implemented: the replacement of fluorescent lights with LED lighting in the renovation of two floors of the Central Services Buildings and the replacement of 70 high-consumption air conditioning equipment. These projects achieved in the reporting year an overall energy consumption reduction of 3,994 MWh. The cost of managing this opportunity is directly associated with the investment in energy efficiency measures, as well as the budget for the team, tools, and infrastructure needed to design and guide the implementation of some of the actions of the Voluntary Standards. In the reporting year, the above-mentioned energy efficiency actions represented an investment of €3,300,000 (see question C4.3b for more detail), of which 24% correspond to the automation project, and 76% to the replacement of 70 high-consumption air conditioning equipment.

**Comment**

Other methods to realize this opportunity include the implementation and improvement of CaixaBank's Environmental and Energy Policy, renewed in 2018. Since 2017, CaixaBank has had in place an Energy Committee in addition to the Environmental Committee, which is charged with supervising the optimization of the bank's energy management. Moreover, CaixaBank renewed its Environmental and Energy Policy in 2018, reinforcing its commitment with promoting the purchase of energy efficient products and services designed to improve and optimize energy use. Note: The lifetime of these initiatives ranges from 6-15 years.

**Identifier**

Opp2

**Where in the value chain does the opportunity occur?**

Downstream

**Opportunity type**

Markets

**Primary climate-related opportunity driver**

Increased diversification of financial assets (e.g., green bonds and infrastructure)

**Primary potential financial impact**

Increased diversification of financial assets

**Company-specific description**

This opportunity is associated to the increasing number of investors demanding green bonds and the associated increased diversification of financial assets for CaixaBank. CaixaBank acknowledges the key role that financial institutions play in helping to mobilize capital for the transition to a low-carbon, resource-efficient, and inclusive economy, as well as the importance of meeting the UN Sustainable Development Goals (SDGs). As a result, in July 2019, the Board of Directors approved CaixaBank's bond issuance framework linked to the Sustainable Development Goals, including Green Bonds and aligned with the Sustainable Bond Principles, Green Bond Principles and Social Bond Principles. The framework envisages the issuance of green bonds. The first issuance under this framework happened during the reporting year, with the issuance of CaixaBank's inaugural Green Bond for €1,000 million to fund renewable energy projects and energy-efficient buildings. Furthermore, CaixaBank has been a signatory of the Green Bond Principles established by the International Capital Markets Association (ICMA) since 2015. Since then, the Bank has participated in the placement of green bonds for projects with a positive impact on climate. In the reporting year, CaixaBank participated in the placement of 6 green bond issues for investment in sustainable assets with a total volume of €4,700 million (4 for €2,550 million in 2019). It also participated in the issuance of 4 sustainable bond for €1,700 million. This opportunity allows CaixaBank to generate more access to capital when CaixaBank acts as a bond issuer, and increased revenues when it acts as a bond underwriter. This opportunity would allow CaixaBank to obtain potential funds and to diversify the scope of investors.

**Time horizon**

Short-term

**Likelihood**

Very likely

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

6400000000

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**



The financial impact of this opportunity is related to CaixaBank's increased diversification of financial assets from issuing green bonds and from participating as green agents in the issuing of green loans. In the reporting year, CaixaBank issued a Green Bond for €1,000 million to support projects related to renewable energy (443.9 tCO<sub>2</sub>e of avoided GHG emissions per €1M financed is expected) and green building (10.7 tCO<sub>2</sub>e of avoided/reduced GHG emissions per €1M financed is expected), participated in the placement of 5 green bond issues for investment in sustainable assets (projects with a positive climate impact) with a total volume of €3,700 million, and in the issuance of 4 sustainable bond for €1,700 million.

#### Cost to realize opportunity

128942

#### Strategy to realize opportunity and explanation of cost calculation

CaixaBank has been a signatory of the Green Bond Principles since 2015. Since then, the Company has participated in the placement of green bonds for projects with a positive climate impact. The Group is taking action to assess the potential of this opportunity in the future, mainly from Funding. In July 2019, the Board of Directors approved the bond issuance framework linked to CaixaBank's Sustainable Development Goals, including Green Bonds and aligned with the Sustainable Bond Principles, Green Bond Principles and Social Bond Principles. The framework envisages the issuance of green bonds, which happened for the first time in the reporting year with the issuance of a Green Bond for €1,000 million. The cost of realizing this opportunity is associated to the salary of the team responsible for the offers of sustainable bonds and for the works towards capturing new opportunities in this sense. The salary is estimated at €64,471 a year, which is the average annual salary at CaixaBank in the reporting year x 2 (number of managers).

#### Comment

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#### Identifier

Opp4

#### Where in the value chain does the opportunity occur?

Downstream

#### Opportunity type

Products and services

#### Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

#### Primary potential financial impact

Increased revenues resulting from increased demand for products and services

#### Company-specific description

This opportunity is associated to the increased revenues from environmentally sustainable credit transactions. CaixaBank uses its market expertise to support the most environmentally conscious projects that help prevent, mitigate and address climate change and the transition to a low-carbon economy. These "green projects" include low-carbon technologies and infrastructure, green transport, water and waste management, sustainable hotels, precision farming, etc. CaixaBank designs and markets green products and services in all segments of activity. Especially relevant in its activity are our retail segment and the Corporate & Wholesale segment. Main drivers are loans to finance the acquisition and construction of energy efficient real estate assets, the finance of Renewable Energy projects, loans indexed to ESG KPIs and environmentally sustainable consumer finance products, (ecoLoans and ecoMicrocredits for green purposes, such as purchasing efficient vehicles, investments that improve efficiency in the consumption of resources, ecological products, etc.). CaixaBank has been offering green products and services for many years now, such as the EcoFinancing (since 2013). In the reporting year, the Company granted a total of 788 loans for €54 million linked to EcoFinancing (compared to 505 loans for €10.2 million in 2019). Other green products and services that have experienced a growth in demand include the MicroBank Fondo Ecológico, also since 2013, as well as green loans, energy efficient real estate lending, and finance of renewable energy projects. All of these product lines have good growth potential which will probably be further boosted considering the sustainable finance initiatives launched by the EU Commission and banking supervisors and regulators. Overall, the wholesale green loan market is increasing since the first green loan issued in 2014. Thomson Reuters reported the volume of green loans syndicated in Europe to around 19 billion EUR as of March 2018. This rising trend creates an opportunity for CaixaBank as a Green Facility Agent.

#### Time horizon

Medium-term

#### Likelihood

Very likely

#### Magnitude of impact

Medium-high

#### Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

#### Potential financial impact figure (currency)

91603200

#### Potential financial impact figure – minimum (currency)

<Not Applicable>

#### Potential financial impact figure – maximum (currency)

<Not Applicable>

#### Explanation of financial impact figure

As an estimation of the financial impact of this opportunity, we consider CaixaBank's gross balance sheet interest margin (0.96%) as disclosed in the 2020 Management Report and CaixaBank's total volume of environmentally sustainable activities in the reporting year, which was of €9,542 million. These account for around 19.4% of our portfolio in the reporting year. CaixaBank has calculated this value considering the following categories and values: -Real Estate Financing Energy Efficient: Operations for which there is documentary evidence of an A or B rating energy efficiency certificate are considered environmentally sustainable. In the reporting year, €1,001 million in operations was included as part of developments formalized, and €306 million in commercial properties financed with A or B rating. -Renewable Energies project Finance (wind, photovoltaic, etc.): In the reporting year, the bank helped to finance 39 projects for a total of € 3,163 million, funding 5,730 MW of installed capacity. Renewable energy portfolio exposure represents 81% of the total finance energy project portfolio. -Loans classified as "green" according to the Green Loan Principles (GLP) established by the Loan Market Association. The eligible projects or assets include: renewable energy, energy efficiency, sustainable transport, reduction among others. In the reporting year, CaixaBank granted 24 green loans for a volume of €2,021 million in volume. All these loans obtained the Green Certificate, based on the criteria of the Green Loan Principles. -EcoFinancing with the following specific lines: purchase of efficient vehicles and domestic appliances, home improvements to increase energy efficiency, investments to improve resource efficiency or ensure a smaller environment impact, and sustainable development farming projects. In the reporting year, the Company granted a total of 788 loans for €54 million. -Loans referenced to sustainability variables: In the reporting year CaixaBank granted 32 loans linked to ESG indexes or environmental indicators for a total of €2,997 million which were conditional upon recognition of good performance by the company regarding sustainability, measured according to ESG criteria applied by independent bodies.

**Cost to realize opportunity**

322355

**Strategy to realize opportunity and explanation of cost calculation**

CaixaBank is already managing this opportunity: The Group has developed different financing lines to support these green projects that contribute to prevent, mitigate and provide a response to climate change, such as the mentioned ecoLoans and ecoMicrocredits for green purposes (for purchasing efficient vehicles, investments that improve efficiency in the consumption of resources, ecological products, etc). CaixaBank has a Product Committee, who has the responsibility to approve new products or services designed and/or marketed by the Bank, after analyzing the features and risks associated with each product, its suitability for its target market and its compliance with consumer protection and transparency rules. CaixaBank has specific products and credit lines for those companies with responsible conduct and ESG performance, which also widens CaixaBank's product portfolio. The cost of managing this opportunity has been estimated at €322,355 a year, considering the team of 5 FTE working in this business line and in the realization of this opportunity at CaixaBank and considering the average annual salary at CaixaBank in the reporting year (€64,471). As explained, the total cost management has been obtained as follows: €64,471 \* 5 FTE = €322,355.

**Comment****C3. Business Strategy****C3.1****(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?**

Yes

**C3.1b****(C3.1b) Does your organization intend to publish a low-carbon transition plan in the next two years?**

	Intention to publish a low-carbon transition plan	Intention to include the transition plan as a scheduled resolution item at Annual General Meetings (AGMs)	Comment
Row 1	Yes, in the next two years	Yes, we intend to include it as a scheduled AGM resolution item	Climate-related issues have led the bank to outline in the 2019-2021 Strategic Plan an important goal of the corporate culture before society: to be a fundamental agent in the transition to a low-carbon economy (approved by the Board of Directors and presented for assessment and approval at the AGM in 2019). This goal is the cornerstone of the company's strategy that is being built to align CaixaBank's business model toward a net-zero carbon economy. During the reporting year, CaixaBank (CB) completed two pilot case studies to assess, through scenario analysis, the impact of climate-related physical and transition risks in part of its lending portfolio. Scenario analyzes are being extended to other sectors of the lending portfolio. The conclusions from scenario analysis exercises will provide insights to establish objectives to align the bank's portfolio with the Paris Agreement. Decarbonization target setting is planned for Q4 of 2022 as per the Collective Commitment to Climate Action and the even more ambitious Net Zero Banking Alliance (NZBA). The NZBA was subscribed in April 2021 with CB as one of its founding signatories. Furthermore, CB is following closely the Climate Change and Energy Transition Bill approved by Spain in 2020 that aims to achieve emissions neutrality by 2050 and represents a positioning instrument in terms of modernizing the economy, attracting investment, generating employment and reindustrializing, which incorporates all economic sectors into the climate action in the decarbonization process. Financial institutions, such as CB, must publish specific targets for the decarbonization of their loan and investment portfolios in line with the Paris Agreement from 2023 onwards. Therefore, the low-carbon transition plan is the next step that CB plans to carry out in the next two years. The Annual General Meeting of CB is the ultimate representative and participatory body of the Company shareholders. During the reporting year, two meetings were held. It is at these meetings that the board of directors approves the annual management report and non-financial information statement, included management processes and information related to climate change. Consequently, the low-carbon transition plan will be approved at the Annual General Meeting. CB is preparing a Sustainability Master Plan, scheduled for approval in December 2021.

**C3.2****(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?**

Yes, qualitative and quantitative

**C3.2a**

**(C3.2a) Provide details of your organization’s use of climate-related scenario analysis.**

Climate-related scenarios and models applied	Details
REMIND	<p>In the reporting year, CaixaBank (CB) carried out a scenario analysis (SA) case study based on its participation in the TCFD UNEP FI banking pilot project. CB applied the transition risk methodology developed by Oliver Wyman (OW) to assess the change in Expected Loss in the Oil&amp;Gas and Power Utilities sectors. REMIND was used to integrate climate and macroeconomic projections. A sample from CB’s Energy portfolio for different regions (World, EU, LatAm, Middle East, US) was evaluated. The methodology involves portfolio segmentation, qualitative risk analysis, internal risk data and estimation of the evolution of credit rating. The analysis considered 3 climate scenarios according to changes in public policies and technologies to reach different levels of global warming and pathways (Paris Agreement): Low CDR (CO2 Removal) 2°C - transition is not immediate but begins abruptly in 2030 with high impact policies and lack of negative emissions technologies); Low CDR 1.5°C - a more stressed scenario with the same assumptions but more aggressive policies; and Immediate 1.5°C – transition begins imminently, with CDR technologies. The qualitative analysis implies the identification of the segments most impacted by transition risks. It analyzed the impacts of transition on 4 variables (direct and indirect emission costs, low carbon CapEx and Revenues) for these segments in different geographies and time horizons (24 heatmaps given 2030, 2040, 2050). Time horizons were chosen considering the financing strategies of CB, characteristics of lending portfolio and to obtain useful and longer-term vision in relation to current credit decisions. Based on the qualitative analysis, a quantitative bottom-up analysis was carried out, based on the individual analysis of clients with the greatest exposure (top 9). CB developed a special-purpose tool to translate qualitative assessment of transition risk into financial figures. The tool uses different Risk Factor Pathways (RFPs) and modifies them according to a specific scoring system to bring in the opinions from specialists from different areas at CB (Climate Risk Analysis, Credit Decisions, Environmental Risk Assessment, Rating, Strategy). These RFPs are then translated into changes in the main credit risk factors (EBIT, EBITDA, revenues) that can be introduced in CB’s internal rating system to obtain a transition risk-adjusted rating for the companies, given their decarbonization and transition strategies, probability of success and resilience. Conclusions from the pilot scenario analysis indicate that Oil&amp;Gas is the sector with the highest climate transition risk, with significant degradation of the rating for companies in the medium term, depending on their segment, geography and CO2 emissions. Great investments will be needed for transformation (an opportunity). Important transition climate risks were also identified in the non-renewable electricity segment. Finally, there are good prospects for companies in the renewable energy segment, where improvements in ratings are projected in the medium term according to their percentage of renewable energy. These results will provide insights for the establishment of objectives to align the bank’s portfolios with the Paris Agreement. Target setting is planned for Q4 2022 as per the Collective Commitment to Climate Action and the even more ambitious Net Zero Banking Alliance, subscribed in April 2021 with CB as one of its founding signatories. Following the pilot exercise, during 2020 CB has started developing a differentiated approach for SMEs adapting OW’s methodology to the characteristics of SMEs and to the requirements of larger sample analysis, from a top-down perspective. The analysis is being implemented in the energy, transportation and construction sectors. Extension to other relevant sectors in terms of climate transition risks will also be considered. Both approaches underway are our first steps in deploying the SA on a recurring basis.</p>

**C3.3**

**(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.**

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	CaixaBank (CB) identified that climate change represents an opportunity to develop more low-emissions products in a short-term, but at the same time a risk associated with reduced revenues resulting from a lower demand for its products and services, and increased credit risk in part of its lending portfolio in a medium and long-term. To adapt the strategy of the company and mitigate these risks, CB decided, since 2007 with the signature of the Equator Principles, to manage environmental risks in its investment project financing and develop green products and services in all segments of activity. As a result, CB has been offering green products and services to the market for many years and has developed and pursued the continuous improvement of its lending portfolio environmental assessment tools with different climate-related risk metrics and, recently, scenario analysis. During the reporting year, the most substantial strategic decisions taken in this area were the issuance of the first CB's Green Bond for €1 billion to fund renewable energy projects and energy-efficient buildings, the update of its Environmental and Energy Management Principles to include the Environmental Risk Management Committee as the entity responsible for overseeing the deployment of CB's environmental strategy (in May 2020), and adherence to the Manifesto for a sustainable economic recovery and the Green Recovery Call to Action initiative. In the reporting year, CB registered a record funding in renewable energy generation initiatives, having participated in the financing of 39 projects worth 3,163 million euros. CB conducted two case studies during the reporting year, one to assess the impacts of transition risks in its Energy Sector clients and another to assess the impacts of climate-related physical risks on the infrastructure of its Real State clients. Both case studies helped CB in the development of knowledge to address the best strategy to manage green financial services and its due diligence process to support viable projects that are compatible with a low-carbon economy and solutions for climate change in short and medium-term. As an example of a result, since 2020 energy efficiency certificates are required for all transactions related to the Real Estate sector to collect relevant information to assess risks and to engage with the clients.
Supply chain and/or value chain	Yes	One of the most relevant climate-related issues identified by CaixaBank (CB) is associated with customer demand and supplier management. The Risk Global Management, Project Finance, Corporate and Institutional Banking and AgroBank are the most exposed areas related to corporate financing, especially when working with sectors with high energy consumption and carbon emissions (energy, utilities, infrastructure, transport, and agricultural). CB identified that different climate-related risks can affect the solvency/ability to pay of its lending portfolio and induce credit risk to the company in a short and medium-term (explained in C2.2a). Regarding suppliers, CB annually collects information in the corporate procurement procedure regarding CC aspects, e.g whether suppliers have the certification ISO 14001, or calculate their carbon footprint (16 audits in the reporting year, 1,226 suppliers with ISO14001). To integrate these risks into CB's business strategy and value chain assessment, robust prevention measures have been incorporated into CB's Risk Admission Model, specific criteria for financing sectors and clients whose potential climate risk is estimated to be higher and ESG criteria in asset management. During the reporting year, the most substantial strategic decisions taken in this area were: incorporation of climate-related risks into the Corporate Risk Taxonomy as a level 2 credit risk; implementation of the Environmental Purchasing and Contracting Plan that consist in environmental criteria in procurement, and extension of the environmental commitment to the value chain; and update of its Environmental and Energy Management Principles to adapt supplier requirements with the Supplier Code of Conduct (in May 2020). Additionally, CB believes that collaborating with other organizations to make joint progress is essential since CC requires public-private partnerships and multi-sectorial approaches. In this sense, CB participate in working groups and associations dedicated to environmental progress, including the UNEPFI, the Spanish Group for the Green Growth and Climate Action 100+. CB estimates that this area will continue to be impacted in the short and medium term and, therefore, it is developing objectives to align the bank's portfolio with the Paris Agreement and the Commitment to Climate Action and is participating in the Net Zero Banking Alliance.
Investment in R&D	Yes	CaixaBank (CB) identified that climate change presents opportunities to develop more low-emission products and services that, in many cases, require investments in R&D, and to invest in R&D projects that contributes to a low-carbon economy. Part of the CB's investment in R&D is managed by La Caixa Foundation, which has an investment line specializes in funding research organizations that contribute to a low-carbon economy. One of the projects is "Fundación Empresa y Clima: fight against climate change", created to identify and develop business opportunities deriving from the fight against climate change and provide information (guidelines), through projects, of good business practice aimed at mitigating climate change and adapting to it. Another important research project is ClimaDat, which provides information on climate change and assists CB in managing climate risks and developing new products with less environmental impact. Regarding knowledge management, CB has a training plan to empower its employees in different topics. During the reporting year, a training plan was launched for the Risk Admission Centers and the International Branches, so that the analysts of these centers could help in the environmental and climate-related risk analysis. Concerning CB DayOne, a financial service created to accompany global start-ups and scale-ups with activity in Spain with high growth potential (innovative projects which contribute to emission reductions due to its high technological component, e.g., electric bikes projects), during the reporting year, the 14th edition of the Entrepreneur XXI Awards was launched aiming to elect the best companies in the contribution, among other, in the challenge "Ciudad XXI" (solutions to transform cities into more sustainable, secure, connected and adapted places) and "Planeta XXI" (innovative proposals focused on environmental sustainability). Another case study in this area is the Imagin, a digital ecosystem aimed at young people offering financial and non-financial products and services. During the reporting year, Imagin has obtained B Corp certification for its positive impact on the environment and society (Imagin is the first B Corp mobile-only financial services platform). CB estimate to continue with this strategies and financing lines in the short and medium-term.
Operations	Yes	One of the opportunities identified by CaixaBank (CB) is the reduced operational costs due to implementation of Voluntary Standards such as ISO14001, EMAS and ISO50001, established in CB since 2003, 2004 and 2017 respectively. These standards have helped us reduce our operational costs related to energy, water and paper consumption. This has been integrated into CB's strategy and planning and results annually in the implementation of several energy efficiency initiatives to improve the energy efficiency of own operations and reduce emissions, such as installation of more efficient LED lightning, implementation of automation projects, replacement of low efficiency air conditioners etc. CB's environmental commitment includes continuous improvement to increase the bank's environmental efficiency, minimizing emissions (scope 1, 2 and 3) and offsetting those that cannot be eliminated (CB has been carbon neutral since 2018). During the reporting year, the most substantial strategic decisions taken in this area were: the participation in the "Reuse me", a new plan for the branch network with the aim of donating both IT equipment and furniture to social solidarity entities, and the deployment of remote work tools and promotion of teleworking, and online communication options with customers (such as the Wall). The former implies a more sustainable management of these assets, which are no longer considered waste to become a resource for new needs and generating a strong social and environmental impact (in the reporting year 36,634 items were donated). The latter helps to reduce the number of physical journeys, which reduce the emissions associated with the business travels. CB plan to renew our Environmental Strategy when it expires, so we estimate this area will keep being impacted in the short to long term.

C3.4

**(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.**

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Indirect costs Capital expenditures Capital allocation Liabilities	<p>In recent years, CaixaBank (CB) has seen an increase in revenues from green products and services which, during the reporting year, made available to the market a volume of €9,542 million in green financing, 19.4% of the total portfolio. (for more details about the different products, see C2.4a Opp2 and Opp4). Two achievements in the reporting year stand out. First, CB registered a record funding in renewable energy generation initiatives, having participated in the financing of 39 projects worth 3,163 million euros. Second, the issuance of its first green bond for €1,000 million to fund renewable energy projects and energy-efficient buildings. CB has been a signatory of the Green Bond Principles established by the International Capital Markets Association (ICMA) since 2015. Since then, the Bank has participated in the placement of third part green bonds for projects with a positive impact on climate (5 green bond issues for investment in sustainable assets with a total volume of €3,700 million in the reporting year). The demand for this type of product has grown in recent years, influencing CB's financial planning and its product portfolio. CB believes that this demand, and related revenues, will continue to grow and intends to provide annually new lines of financing with environmental requirements or for projects with a positive impact on fighting climate change. Regarding capital expenditures and indirect costs, CB is annually working on its financial plan in order to have a dedicated budget to invest in technology and equipment to increase energy and environmental efficiency, resulting in reductions in its carbon footprint and in its overhead costs. During the reporting year, CB invested €800,000 in its energy automation project that allows it to monitor energy consumption in corporate buildings and the branch network, evaluate the energy savings of the measures implemented and define new efficiency initiatives consisting of installing presence sensors and automatic light shut-off, single shut-off switches associated with the alarm connection, and hibernation strips for peripheral circuits. CB already has 685 branches and 19 corporate buildings monitored, and 339 remotely managed stores, resulting in a reduction of €1,304,099 in operational costs and 6.4 GWh in energy consumption. In addition, during the reporting year, CB invested €2,500,000 in the modernization of the air-conditioning system in 70 branches, replacing it with equipment with greater energy efficiency and which uses a refrigerant gas with less Global Warming Power. This action resulted in energy savings of 225,000 kWh (and in the indirect costs) and a reduction in carbon emissions of 257 tCO<sub>2</sub>e. This budget dedicated to energy efficiency and emission reduction measures is in the CB's Environmental Management Plan 2019-2021, approved by the Board of Directors, associated with several impact reduction objectives based on innovation and efficiency, priority lines of action and initiatives to foster good working practices. CB estimates that this area will continue to be influenced by issues related to climate change and intends to renew the plan in the future with measures aimed at the short and medium term that will seek to implement a NetZero strategy. Another financial decision related to climate issues is the expansion of the departments that manage environmental issues, including the decision to create the position of Chief Sustainability Officer planned for 2021 and the promotion of a Sustainability Master Plan. The main influence on capital allocation occurs in research and development (R&amp;D). In recent years, La Caixa Foundation, manager of part of the CB's R&amp;D budget, started to create investment lines for projects and organizations that contribute to a low-carbon economy. Currently, La Caixa is funding the "Fundación Empresa y Clima: fight against climate change", created to identify and develop business opportunities deriving from the fight against climate change. In addition, CB is investing in the development of applications to strengthen the growth of the digital bank, which contributes to the reduction of travel by its customers and consequently reduces GHG gas emissions related to transport. The digital ecosystem Imagin is a good example of this type of influence (explained in C3.3.). One of the main climate-related risks identified by CB is associated with Liabilities. The potential substantial impact of climate-related issues on the ability to pay of the lending portfolio, especially for carbon-intensive customer's, increases CB's exposure to credit risk due to a potential client's default on payment driven by an increase in its operating cost or its inability to do business. In addition to having a dedicated team to climate risk management that works to keep the risk low, stable, and within the established risk appetite limits, CB has been implementing different strategies to protect its financial planning, including exclusion criteria in the due diligence process, as per the Environmental Risk Management Policy, the incorporation of the climate-related risks in the Corporate Risk Taxonomy as a level 2 (during the reporting year), and the strengthening of the governance structure to manage climate issues at the highest level of the bank (committee on the Board of Directors). CB plans to expand the board of directors in 2021 with a specialized committee on sustainability and climate change to be chaired by the newly appointed Chief Sustainability Officer. Therefore, climate R&amp;O have already influenced several elements of CB's financial planning, and will continue to influence in the short- to long term.</p>

C3.4a

**(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).**

- In 2018 CB outlined an Environmental Strategy with 3 main action lines: Boost the "Green" business, Manage Climate Risk and Minimization of the environmental impact. The Strategy works systematically to help achieve a transition towards a low-carbon economy by reducing the direct impact of operations and by financing and investing in sustainable projects.
- The Environmental Risk Management Policy was approved by the Board of Directors in February 2019.
- In December 2019, CB subscribed the UNEP FI Collective Commitment to Climate Action. According to this, CB committed to set targets to align its portfolio to the goals of the Paris Agreement by 2022.
- In February 2019, CaixaBank published its Statement on Climate Change, which was approved by the Board of Directors, in which it undertakes to take the necessary measures to comply with Paris Agreement.
- CB carried out a scenario analysis to assess climate transition risks and opportunities in its energy sector credit portfolio (Oil & Gas and Power Utilities) and a pilot project to analyze climate change and physical risk variables and their economic impacts on infrastructure with an initial focus of analysis in the mortgage portfolio in Spain. These works are performed based on CB's participation in ~~with~~ the working group coordinated by UNEP FI (TCFD Banking Pilot Phase II).
- During the reporting year, CB participated in a case study by the EBA on taxonomically aligned metrics within the framework of the survey on ESG and climate-related risk disclosures in Pillar 3 and in the EBA 2020 Pilot Position Exercise on climate risk to carry out a preliminary assessment of banks' exposure to climate risk.
- CB's total volume of green financing offered to the market in the reporting year was €9,542 million (Real Estate Financing Energy Efficient, Renewable Energies Project Finance, Loans classified as "green" according to the Green Loan Principles (GLP) established by the Loan Market Association, EcoFinancing, Loans referenced to sustainability variables and indexes). CB has also issued a €1,000m inaugural Green Bond.
- CB has committed to the Climate Change and Energy Transition Bill (PLCCTE) approved by Spain in 2020 to achieve emissions neutrality by 2050 where financial institutions, such as CaixaBank, must publish specific targets for the decarbonization of their loan and investment portfolios in line with the Paris Agreement from 2023 onwards. CB has committed to set these targets already in 2022 as per the Collective Commitment to Climate Action and the most recent signature of the Net Zero Banking Alliance (2021).
- The 2019-2021 Environmental Management Plan was approved in line with the Bank's Environmental Strategy. Its main objective being to help minimize CB's environmental impact and enable it to comply with its environmental commitments and certifications. It includes the goal of continuing being Carbon Neutral, as achieved in 2018 after CaixaBank offset all its 2017 emissions (scope 1, 2 and 3).
- Implementation of the Environmental Purchasing and Contracting Plan that consist in environmental criteria in procurement, and extension of the environmental commitment to the value chain during the reporting year.
- Renewal of the Bank's Environmental and Energy Policy in 2018 and update of CB's Environmental and Energy Management Principles to adapt supplier requirements with the Supplier Code of Conduct (in May 2020).
- Calculation and report of the corporate carbon footprint according to the ISO 14064 (externally verified).
- Participation in the Voluntary Agreements Program of the Government of Catalonia and in the Carbon Footprint Registry of the MAGRAMA (the environmental Ministry of the Spanish Government).

**C-FS3.6**

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**(C-FS3.6) Are climate-related issues considered in the policy framework of your organization?**

Yes, both of the above

**C-FS3.6a**

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**(C-FS3.6a) In which policies are climate-related issues integrated?**

	Type of policy	Portfolio coverage of policy	Description
Bank lending (Bank)	Risk policy	All of the portfolio	In line with the Bank's strategic plan (2019-2021), the Board of Directors approved in 2019 the Environmental Risk Management (ERM) Policy, which establishes the criteria that are currently being implemented in the Bank's client onboarding and credit approval processes. The policy establishes general and sector-specific exclusions where CaixaBank will not assume credit risk, linked to activities that could have a significant impact on the environment and the climate. General exclusions apply to all clients, whereas sector specific exclusions affect certain activities in the sectors of Energy, Mining, Infrastructure and Agriculture, Fishing, Farming and Forestry of the loan agreements included. Sector specific exclusions are reviewed for new lending arrangements and guarantees and the purchase of fixed-income securities, equity instruments and other similar securities in companies or groups whose consolidated turnover exceeds 50 million euros and where such arrangements involve Project financing and/or Long-term transactions (more than two years) where the amount exceeds 5 million euros (such as syndicated credit facilities, loans and guarantees). In the credit approval process, we use an Environmental Risk Assessment questionnaire to assess the following questions during the client onboarding (Due Diligence): i) compliance with CaixaBank's Environmental Risk Management Policy (in terms of general and sector specific exclusions); ii) Environmental risk, based on the activity, ESG management, sanctions, etc. and iii) GHG emissions. The questionnaire is reviewed on a yearly basis. Based on the questionnaire an environmental risk assessment is generated (5 environmental risk categories). In addition to the client questionnaire, during the credit approval process, the specific transactions are assessed as well in accordance with the Environmental Risk Management Policy. The Policy has already been adapted to the entire CaixaBank Group. The general principles of the ERM Policy apply to the whole CaixaBank assets (100%). The sector specific exclusions apply only to corporate and business client exposures representing approx. 21% of Exposure at Default as of December 2020 (as per Pillar 3 disclosure). We consider that the policy reasonably covers the environmental and climate risks of our credit portfolio. Furthermore, during the reporting year, CaixaBank revised the Environmental Risk Management Policy in order to include more specifically climate related risks and opportunities in accordance with the deployment of CaixaBank's Environmental and Climate Risk Management Roadmap 2019-2021 and to consider recent regulatory and supervisory guidelines and expectations, including the European Banking Authority (EBA) Guidelines on loan origination and monitoring and the European Central Bank (ECB) Guide on climate-related and environmental risks. The ERM is public and published on CaixaBank's corporate website.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Please select	Please select	

**C-FS3.6b**

**(C-FS3.6b) Describe your exclusion policies related to industries and/or activities exposed or contributing to climate-related risks.**

Type of exclusion policy	Portfolio	Application	Description
All fossil fuels	Bank lending	New business/investment for new projects	The Board of Directors approved an Environmental Risk Management (ERM) Policy in 2019 that regulates the financing of certain companies and projects representing a potential ESG risk in some sectors. This policy excludes any pre-existing activities or customers. It governs the admission and acceptance of new lending arrangements and guarantees and the purchase of fixed-income securities, equity instruments and other similar securities in companies or groups whose consolidated turnover exceeds 50 million euros and where such arrangements involve: 1.Project financing and 2.Long-term transactions (more than two years) where the amount exceeds 5 million euros (such as syndicated credit facilities, loans and guarantees). As general exclusions related to climate, CaixaBank announces its intention not to finance transactions (regardless of the sector, amount, term and purpose of the financing) with a significant environmental impact, when the company concerned fails to provide enough information on its environmental risk mitigation policy during the due diligence process. Industry specific exclusions (some examples) CaixaBank will assume no credit risk in new projects/companies: -Mining: involving the mining of coal and companies at which coal extraction accounts for >40% of their revenue. - Energy: Involving oil and gas exploration or production in the arctic region; or extraction through fracking; construction, development or expansion of coal-fired power plants; construction, development or expansion of nuclear power plants or uranium enrichment facilities; and companies where coal-fired power generation accounts for >40% of their revenue. -Infrastructure: Involving the construction of oil pipelines where there is strong evidence that a significant % of the oil to be transported will have come from bituminous sands; -Agriculture, fishing, livestock & forestry: directly related to land clearing by burning.

**C4. Targets and performance**

**C4.1**

**(C4.1) Did you have an emissions target that was active in the reporting year?**

Absolute target

**C4.1a**

**(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.**

**Target reference number**

Abs 1

**Year target was set**

2010

**Target coverage**

Company-wide

**Scope(s) (or Scope 3 category)**

Scope 1+2 (market-based)

**Base year**

2009

**Covered emissions in base year (metric tons CO2e)**

72533

**Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)**

100

**Target year**

2025

**Targeted reduction from base year (%)**

29

**Covered emissions in target year (metric tons CO2e) [auto-calculated]**

51498.43

**Covered emissions in reporting year (metric tons CO2e)**

3883

**% of target achieved [auto-calculated]**

326.367498836439

**Target status in reporting year**

Underway

**Is this a science-based target?**

No, but we anticipate setting one in the next 2 years

**Target ambition**

&lt;Not Applicable&gt;

**Please explain (including target coverage)**

This mid-term target covers the 100% of CaixaBank's scope 1+2 emissions and aims at reducing 29% of these emissions through hiring 100% of the new energy contracts with renewable energy. This target is related to CaixaBank's policy of having 100% of new energy contracts hired with renewable energy, which in reality means that over 99% of CaixaBank's energy is hired with green energy. The nature of the business, which includes the opening and closure of several offices a year (inheriting old electrical contracts) accounts for the <1% left out of the target. In the reporting year, for example, 99,34% of the electricity consumption came from renewable sources. This target is part of the RE100 initiative (regarding scope 2 emissions). It aims at reducing at least 29% of the emissions in scope 1+ 2 from 2009 by hiring all new contracts with renewable energy, as well as by implementing scope 1 emission reduction activities. This target meets the 2.1% year-on-year emission reduction between base year and target year. Even though the target of hiring 100% of the new energy contracts with renewable energy is included in CaixaBank's Environmental Plan, which has a timeframe of 2019-2021, CaixaBank's goal is to maintain this target beyond 2020 once it has been achieved and commits to keep hiring 100% of the new energy contracts with renewable energy until 2025 and further (see target Abs2). This is a mid-term target (2025) and CaixaBank has already succeeded in hiring 100% of its new energy contracts with renewable contracts, which means having over 99% of its electricity produced by renewable energy. This is not a Science based target since CaixaBank is a financial institution and the new SBTi guidance for financial institutions was only published in April 2021. CaixaBank intends to develop the SBTi's targets in the next two years.

**Target reference number**

Abs 2

**Year target was set**

2010

**Target coverage**

Company-wide

**Scope(s) (or Scope 3 category)**

Scope 1+2 (market-based)

**Base year**

2009

**Covered emissions in base year (metric tons CO2e)**

72533

**Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)**

100

**Target year**

2040

**Targeted reduction from base year (%)**

50

**Covered emissions in target year (metric tons CO2e) [auto-calculated]**

36266.5

**Covered emissions in reporting year (metric tons CO2e)**

3883

**% of target achieved [auto-calculated]**

189.293149325135

**Target status in reporting year**

Underway



**Is this a science-based target?**

No, but we anticipate setting one in the next 2 years

**Target ambition**

<Not Applicable>

**Please explain (including target coverage)**

This long-term target covers the 100% of CaixaBank's scope 1+2 emissions and aims at hiring 100% of the new energy contracts with renewable energy. This target is related to CaixaBank's policy of having 100% of new energy contracts hired with renewable energy, which in reality means that over 99% of CaixaBank's energy is hired with green energy. The nature of the business, which includes the opening and closure of several offices a year (inheriting old electrical contracts) accounts for the <1% left out of the target. In the reporting year, for example, 99,34% of the electricity consumption came from renewable sources. This target is part of the RE100 initiative (regarding scope 2 emissions). It aims at reducing at least 50% of the emissions in scope 1+ 2 from 2009 by hiring all new contracts with renewable energy, as well as by implementing scope 1 emission reduction activities. This target meets the 2.1% year-on-year emission reduction between base year and target year. Even though the target of hiring 100% of the new energy contracts with renewable energy is included in CaixaBank's Environmental Plan, which has a timeframe of 2019-2021, CaixaBank's goal is to maintain this target beyond 2020 once it has been achieved and commits to keep hiring 100% of the new energy contracts with renewable energy until 2040. This is a long-term target (2040) and CaixaBank has already succeeded in hiring 100% of its new energy contracts with renewable contracts, which means having over 99% of its electricity produced by renewable energy. This is not a Science based target since CaixaBank is a financial institution and the new SBTi guidance for financial institutions was only published in Abril 2021. CaixaBank intends to develop the SBTi's targets in the next two years.

**Target reference number**

Abs 3

**Year target was set**

2016

**Target coverage**

Company-wide

**Scope(s) (or Scope 3 category)**

Scope 3: Purchased goods & services

**Base year**

2016

**Covered emissions in base year (metric tons CO2e)**

8313

**Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)**

75

**Target year**

2020

**Targeted reduction from base year (%)**

15

**Covered emissions in target year (metric tons CO2e) [auto-calculated]**

7066.05

**Covered emissions in reporting year (metric tons CO2e)**

3071

**% of target achieved [auto-calculated]**

420.385741208549

**Target status in reporting year**

Achieved

**Is this a science-based target?**

No, but we anticipate setting one in the next 2 years

**Target ambition**

<Not Applicable>

**Please explain (including target coverage)**

This target covers more than 75% of this scope 3.1: Purchased goods & services in the base year, whose aim is to reduce paper consumption, specifically regarding paper for own use and paper sent to clients. This reduction will be achieved through several reduction initiatives. This target has been achieved as these emissions have been reduced by a 62% from 2016 to the reporting year. This is not a Science based target since CaixaBank is a financial institution and the new SBTi guidance for financial institutions was only published in Abril 2021. CaixaBank intends to develop SBTi's targets in the next two years.

**Target reference number**

Abs 4

**Year target was set**

2020

**Target coverage**

Company-wide

**Scope(s) (or Scope 3 category)**

Scope 3: Purchased goods & services

**Base year**

2020

**Covered emissions in base year (metric tons CO2e)**

3071

**Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)**

70

**Target year**

2025

**Targeted reduction from base year (%)**

15

**Covered emissions in target year (metric tons CO2e) [auto-calculated]**

2610.35

**Covered emissions in reporting year (metric tons CO2e)**

3071

**% of target achieved [auto-calculated]**

0

**Target status in reporting year**

New

**Is this a science-based target?**

No, but we anticipate setting one in the next 2 years

**Target ambition**

<Not Applicable>

**Please explain (including target coverage)**

This target is based on Abs3 achieved in 2020 and covers more than 70% of this scope 3.1: Purchased goods & services in the base year, whose aim is to reduce paper and tonners consumption, specifically regarding paper for own use and paper sent to clients. This reduction will be achieved through several reduction initiatives such as: printout centralization and identification project and digitalization. This is not a Science based target since CaixaBank is a financial institution and the new SBTi guidance for financial institutions was only published in Abril 2021. CaixaBank intends to develop SBTi's targets in the next two years.

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**C4.2**

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**(C4.2) Did you have any other climate-related targets that were active in the reporting year?**

Target(s) to increase low-carbon energy consumption or production

**C4.2a**

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**(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.**

**Target reference number**

Low 1

**Year target was set**

2010

**Target coverage**

Company-wide

**Target type: absolute or intensity**

Absolute

**Target type: energy carrier**

Electricity

**Target type: activity**

Consumption

**Target type: energy source**

Renewable energy source(s) only

**Metric (target numerator if reporting an intensity target)**

Percentage

**Target denominator (intensity targets only)**

<Not Applicable>

**Base year**

2009

**Figure or percentage in base year**

0

**Target year**

2040

**Figure or percentage in target year**

100

**Figure or percentage in reporting year**

99.34

**% of target achieved [auto-calculated]**

99.34

**Target status in reporting year**

Underway

**Is this target part of an emissions target?**

This target is part of our absolute Scope 1+2 emissions reduction targets Abs1 and Abs 2.

**Is this target part of an overarching initiative?**

RE100

**Please explain (including target coverage)**

Renewable electricity consumption target: CaixaBank has a policy and a target of having 100% of new energy contracts hired with renewable energy. In reality, this means that over 99% of CaixaBank's energy is hired with green energy. The nature of the business, which includes the opening and closure of several offices a year (inheriting old electrical contracts) accounts for the <1% left out of the target. In the reporting year, CaixaBank purchased 140,432.51 MWh of guarantees of origin to cover 100% of the electricity consumption at the Central Services and 99.3% of the electricity consumption in the Branch Network (mainly from the supplier company Naturgy through a certificate from the CNE, Comisión Nacional de Energía, the national energy commission of Spain). Overall, 99.34% of the energy consumed in the reporting year was from renewable sources. In 2016, after the Paris agreements and in order to keep pursuing efforts to reduce greenhouse gas emissions and limit the temperature increase as well as to make a long-term commitment, the target year was extended to 2040. This target is part of our absolute Scope 1+2 emissions reduction targets Abs1 and Abs 2.

**C4.3**

**(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.**

Yes

**C4.3a**

**(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.**

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	4	74
Implementation commenced*	1	8
Implemented*	7	2755
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

**Initiative category & Initiative type**

Transportation	Company fleet vehicle replacement
----------------	-----------------------------------

**Estimated annual CO2e savings (metric tonnes CO2e)**

33

**Scope(s)**

Scope 1

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

12190

**Investment required (unit currency – as specified in C0.4)**

0

**Payback period**

No payback

**Estimated lifetime of the initiative**

11-15 years

**Comment**

Diesel emissions linked to the renting car fleet at the Branch network decreased by almost 16 tones. This reduction is associated to the incorporation in the current fleet of 41 hybrid vehicles in 2019 and 24 in the reporting year, replacing diesel vehicles and achieving a 15% hybrid car fleet in the Branch Network. In addition, petrol emissions linked to the renting car fleet at the Corporative Center in Barcelona decreased by 34%, partly associated to: a) awareness carried out through Office 365 and Teams, which is the new communication tools through instant messaging, audio and video-conferences, virtual meetings, sharing of documents, etc. through which environmental awareness messages are sent to employees to reduce the impact caused by trips; b) Employee awareness through the travel self-reservation tool, which reports on CO2 emissions associated with travel. Investment is 0 as the new hybrid cars acquired are slightly cheaper than the previous diesel cars.

**Initiative category & Initiative type**

Fugitive emissions reductions	Other, please specify (Replacement of air conditioning equipment and corresponding replacement of refrigerant gases for one with lower GWP)
-------------------------------	---

**Estimated annual CO2e savings (metric tonnes CO2e)**

257

**Scope(s)**

Scope 1

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

56970

**Investment required (unit currency – as specified in C0.4)**

2500000

**Payback period**

>25 years

**Estimated lifetime of the initiative**

11-15 years

**Comment**

During the reporting year, 70 high-consumption air conditioning equipment were replaced in the offices of our branch network (BN), avoiding the recharge of the R404A, R407A, R407C y R422A gases, refrigerant gases with high GWP. The monetary savings are calculated based on the savings in electricity consumption (225,000 kWh).

**Initiative category & Initiative type**

Energy efficiency in buildings	Other, please specify (Energy Automation Project)
--------------------------------	---

**Estimated annual CO2e savings (metric tonnes CO2e)**

8

**Scope(s)**

Scope 2 (market-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

566038

**Investment required (unit currency – as specified in C0.4)**

3300000

**Payback period**

4-10 years

**Estimated lifetime of the initiative**

11-15 years

**Comment**

During the reporting year, the implementation of the automation project that allows it to monitor energy consumption in corporate buildings and the branch network, evaluate the energy savings of the measures implemented and define new efficiency initiatives started in 2019 has continued. Among other things, this project consists of installing presence sensors and automatic light shut-off, single shut-off switches associated with the alarm connection, and hibernation strips for peripheral circuits. In the reporting year, the milestones reached in this project have been: massive upload of data to the platform, monitoring of new electrical analyzers, advances in the definition of extended control (probes), and expansion of control points. 685 branches monitored, 19 corporate buildings monitored and 339 remotely managed stores. In addition, CaixaBank is replacing fluorescent lights with LED lighting in its branches and in its headquarter in Barcelona.

**Initiative category & Initiative type**

Energy efficiency in buildings	Heating, Ventilation and Air Conditioning (HVAC)
--------------------------------	--

**Estimated annual CO2e savings (metric tonnes CO2e)**

0.5

**Scope(s)**

Scope 2 (market-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

56970

**Investment required (unit currency – as specified in C0.4)**

2500000

**Payback period**

&gt;25 years

**Estimated lifetime of the initiative**

11-15 years

**Comment**

In the reporting year, 70 high-consumption air conditioning equipment were replaced in the offices of the branch network, achieving a reduction in electricity of 225.000 kWh.

**Initiative category & Initiative type**

Waste reduction and material circularity	Waste reduction
--	-----------------

**Estimated annual CO2e savings (metric tonnes CO2e)**

27.57

**Scope(s)**

Scope 3

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

34000

**Investment required (unit currency – as specified in C0.4)**

3000

**Payback period**

&lt;1 year

**Estimated lifetime of the initiative**

6-10 years

**Comment**

Reduction of waste generation (plastic, toner, fluorescents among others). Awareness campaigns were maintained throughout the reporting year in order to assist employees in the process of selective waste separation and in the development of a culture of minimization in the waste generation. It is also worth highlighting the participation in the "Reuse me", a new plan for the branch network with the aim of donating both IT equipment and furniture to social solidarity entities. This fact implies a more sustainable management of these assets, which are no longer considered waste to become a resource for new needs and generating a strong social and environmental impact. In the reporting year, 36,634 items were donated, 13 companies participated and 159 companies benefited. In addition, 340 units of toner waste have been reduced compared to 2019, mainly as a result of the printout centralization and identification project.

**Initiative category & Initiative type**

Company policy or behavioral change	Resource efficiency
-------------------------------------	---------------------

**Estimated annual CO2e savings (metric tonnes CO2e)**

20.7

**Scope(s)**

Scope 3

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

9389

**Investment required (unit currency – as specified in C0.4)**

0

**Payback period**

No payback

**Estimated lifetime of the initiative**

1-2 years

**Comment**

Reduction of paper consumption (A4 paper, deliveries to customers, envelops free deposits, no printed receipts), as a result of several actions: a) Environmental awareness; b) printout centralisation and identification project; c) Digitalization of 100% of the contracts; d) Optimization and saving measures in ATMs and deliveries to clients. The savings were calculated assuming all Kgs saved were A4 papers and assuming an average price for a 500 sheets pack. Besides the reduction of paper, this digitalization project had other objectives, and that is why it is not possible to differentiate the investment required for the paper objective from the other ones.

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**Initiative category & Initiative type**

Transportation	Other, please specify (Sustainable Mobility Plan and Teleworking)
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**Estimated annual CO2e savings (metric tonnes CO2e)**

2408

**Scope(s)**

Scope 3

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

0

**Investment required (unit currency – as specified in C0.4)**

12516886

**Payback period**

No payback

**Estimated lifetime of the initiative**

11-15 years

**Comment**

Within the Environmental Plan 2019-2021, Caixabank developed a Sustainable Mobility Plan to encourage the adoption of low-emission transport and travel reduction practices, such as: (i) deployment of remote work tools and promotion of teleworking, and online communication options with customers (the Wall and Office 365, 12,000,000€), which reduce the number of physical journeys, (ii) electric vehicle charging points (87 new points, 395,515€) and private bicycle and electric scooters parking in several corporate centers have been installed (121,371€), (iii) internal car-sharing program, (iv) delivery of packages in the last mile using an electric scooter, (v) inclusion of environmental criteria for reducing the impact associated with mobility in events and trips (prioritization of collective transport, use of more sustainable transport, proximity between hotel and event). The emissions savings are associated to a reduction of distance travelled in business travel, increase in employee's teleworking, among others. Considering the mobility restrictions resulting from the emergence of COVID, the entity's corporate business travel has decreased considerably compared to the previous year, reducing the emissions associated with by 60% compared to the previous year and saving the emission of 2,408 tCO2. At the same time, the provision of IT equipment needed to cover new remote working needs has undergone a strong impulse, implemented with the aim of promoting digital transformation.

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C4.3c

**(C4.3c) What methods do you use to drive investment in emissions reduction activities?**

Method	Comment
Dedicated budget for energy efficiency	In the framework of the new Environmental Management Plan 2019-2021, within the Environmental Strategy of the Group and approved by the Board of Directors, there is an associated budget for energy efficiency and emission reduction actions, linked to several impact reduction objectives based on innovation and efficiency, priority lines of action and initiatives to foster good working practices. This Plan has 5 lines of action: -Carbon Neutral Strategy: Minimizing and offsetting all calculated CO <sub>2</sub> emissions. -Environmental efficiency measures and certifications: Minimizing the bank's impact, implementing new energy saving measures and renewing certifications and environmental commitments. -Extending the environmental commitment to the value chain: Action plans for suppliers to assume our environmental values as their own and comply with the acquired commitments. -Driving sustainable mobility: Actions encouraging sustainable mobility to minimize the emissions of the company, staff and suppliers. -Commitment, transparency, and engagement: Engagement actions with employees and reinforcing the commitment and public environmental information.
Dedicated budget for other emissions reduction activities	In the framework of the new Environmental Management Plan 2019-2021, within the Environmental Strategy of the Group and approved by the Board of Directors, there is an associated budget for energy efficiency and emission reduction actions, linked to several impact reduction objectives based on innovation and efficiency, priority lines of action and initiatives to foster good working practices. This Plan has 5 lines of action: -Carbon Neutral Strategy: Minimizing and offsetting all calculated CO <sub>2</sub> emissions. -Environmental efficiency measures and certifications: Minimizing the bank's impact, implementing new energy saving measures and renewing certifications and environmental commitments. -Extending the environmental commitment to the value chain: Action plans for suppliers to assume our environmental values as their own and comply with the acquired commitments. -Driving sustainable mobility: Actions encouraging sustainable mobility to minimize the emissions of the company, staff and suppliers. -Commitment, transparency, and engagement: Engagement actions with employees and reinforcing the commitment and public environmental information.
Employee engagement	Within the Environmental Management Plan (2019-2021) and the Environmental Management System of CaixaBank, a detailed program for behavioral changes and employee engagement by internal awareness initiatives that want to foster energy efficiency, waste reduction, paper consumption reduction and to encourage environmental best practices. Various initiatives are rolled out to raise awareness among employees and society is included, such as the creation and maintenance of an environmental area within the CSR section of the intranet for CaixaBank's employees, CaixaBank's blog, and the corporate website, where the environmental declaration, the carbon footprint among other related documents are published. In addition, employee engagement is reinforced with activities for increasing the environmental awareness, such sending emails, messages over the Intranet, publications in internal magazines, etc. A specific web page has been updated for the environment, which includes different information, from company policy and certifications to environmental training. In order to achieve the involvement of employees to conserve the environment, CaixaBank has a Good Environmental Practices Manual, which details simple measures that may be adopted in the workplace to minimize the environmental and climatic impact associated with the use of resources (energy, office material, etc.) and waste production. In 2018, the environmental content of the welcoming training for new employees was reviewed, and specialized employees were trained in environmental management, project finance for renewable energy and recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in the area of climate change. Besides, CaixaBank carries out specific training courses on environmental and CSR issues, and awareness campaigns for employees in order to raise awareness of good practices. For example, through the "automatic booking" travel tool, that informs employees regarding the associated CO <sub>2</sub> emissions to journeys.

**C4.5**

**(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?**

Yes

**C4.5a**

**(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.**

**Level of aggregation**

Group of products

**Description of product/Group of products**

CaixaBank has a number of green credits and funds especially designed to invest in or provide loans for projects that mitigate climate change or have an ethical core behind it. The most relevant segments where the bank has this kind of products are Corporate & Wholesale and Retail Banking. Pending the approval of the European Union Taxonomy of environmentally sustainable activities, CaixaBank currently considers the following categories: • Real Estate Financing Energy Efficient • Renewable Energy projects Finance (wind, photovoltaic, thermosolar, etc.). • Loans classified as "green" according to the Green Bond Principles (GBP) established by the International Capital Markets Association (ICMA) • Eco-loans for financing energy-efficient home refurbishment and the purchase of energy-efficient vehicles and domestic appliances • Eco-financing for the agricultural sector • Financing for the installation of solar panels on buildings • Loans linked to sustainability indices • Financing eligible within the framework of the bond issue linked to CaixaBank's Sustainable Development Goals (Green Bond).

**Are these low-carbon product(s) or do they enable avoided emissions?**

Low-carbon product

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**

The EU Taxonomy for environmentally sustainable economic activities

**% revenue from low carbon product(s) in the reporting year**

19.4

**% of total portfolio value**

19.4

**Asset classes/ product types**

Bank lending	Other, please specify (Several asset classes/product types are included in this question: Corporate Loans, Commercial Loans, Retail Loans, Residential Mortgages and Project Finance)
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**Comment**

Pending the approval of the EU Taxonomy of environmentally sustainable activities, CaixaBank currently considers the following categories: -Real Estate Financing Energy Efficient: Operations for which there is documentary evidence of an A or B rating energy efficiency certificate are considered environmentally sustainable. In the reporting year, €1,001 million in operations was included as part of developments formalized, and €306 million in commercial properties financed with A or B rating. -Renewable Energies project Finance (wind, photovoltaic, etc.): In the reporting year, the bank helped to finance 39 projects for a total of € 3,163 million, funding 5,730 MW of installed capacity. Renewable energy portfolio exposure represents 81% of the total finance energy project portfolio. -Loans classified as "green" according to the Green Loan Principles (GLP) established by the Loan Market Association. The eligible projects or assets include: renewable energy, energy efficiency, sustainable transport, reduction among others. In the reporting year, CaixaBank granted 24 green loans for a volume of €2,021 million in volume. All these loans obtained the Green Certificate, based on the criteria of the Green Loan Principles. -EcoFinancing with the following specific lines: purchase of efficient vehicles and domestic appliances, home improvements to increase energy efficiency, investments to improve resource efficiency or ensure a smaller environment impact, and sustainable development farming projects (Eco-financing for the agricultural sector). In the reporting year, the Company granted a total of 788 loans for €54 million. -Loans referenced to sustainability indexes: In the reporting year CaixaBank granted 32 loans linked to ESG indexes or environmental indicators for a total of €2,997 million which were conditional upon recognition of good performance by the company regarding sustainability, measured according to ESG criterias applied by independent bodies.

## C5. Emissions methodology

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### C5.1

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#### (C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

##### Scope 1

**Base year start**

January 1 2015

**Base year end**

December 31 2015

**Base year emissions (metric tons CO2e)**

19119.54

**Comment**

Until the 2019 GHG emissions inventory, the base year considered was 2009, the year in which CaixaBank (CB) began to calculate its carbon footprint. In the reporting year, due to the significant changes that have taken place in the company since 2009, it was considered necessary to change the base year to 2015. The period included in the base year is between January 1, 2015 and December 31, 2015. The GHG emissions calculated in this report will be compared with 2015. CB details and analyses the evolution of its carbon footprint following the ISO 14064-1. As established by ISO 14064-1, the base year and subsequent years were recalculated due to significant changes produced in the CB's operational and organizational boundaries that resulted in significant changes in base year emissions. Regarding the organizational limits, the comparative footprint includes the recalculations made in accordance with the new incorporations that have occurred in successive years: Banca Cívica (2012), Banco de Valencia (2013) and Barclays Bank (2015). Regarding the operational limits, GHG emissions verified year by year were recalculated when necessary due to changes such as evolution in consumption data control, updating of emission factors or the addition of new emission sources. For the reporting year, there was no change in the organizational and operational limits. CB recalculates and verifies the base year and subsequent years, restating the historical data, to ensure that it reflects the current organizational and operational boundaries.

##### Scope 2 (location-based)

**Base year start****Base year end****Base year emissions (metric tons CO2e)****Comment**

##### Scope 2 (market-based)

**Base year start**

January 1 2015

**Base year end**

December 31 2015

**Base year emissions (metric tons CO2e)**

2279.07

**Comment**

Until the 2019 GHG emissions inventory, the base year considered was 2009, the year in which CaixaBank (CB) began to calculate its carbon footprint. In the reporting year, due to the significant changes that have taken place in the company since 2009, it was considered necessary to change the base year to 2015. The period included in the base year is between January 1, 2015 and December 31, 2015. The GHG emissions calculated in this report will be compared with 2015. CB details and analyses the evolution of its carbon footprint following the ISO 14064-1. As established by ISO 14064-1, the base year and subsequent years were recalculated due to significant changes produced in the CB's operational and organizational boundaries that resulted in significant changes in base year emissions. Regarding the organizational limits, the comparative footprint includes the recalculations made in accordance with the new incorporations that have occurred in successive years: Banca Cívica (2012), Banco de Valencia (2013) and Barclays Bank (2015). Regarding the operational limits, GHG emissions verified year by year were recalculated when necessary due to changes such as evolution in consumption data control, updating of emission factors or the addition of new emission sources. For the reporting year, there was no change in the organizational and operational limits. CB recalculates and verifies the base year and subsequent years, restating the historical data, to ensure that it reflects the current organizational and operational boundaries.

### C5.2

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#### (C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

ISO 14064-1

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

## C6. Emissions data

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### C6.1

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## C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

### Reporting year

#### Gross global Scope 1 emissions (metric tons CO2e)

3596.79

#### Start date

October 1 2019

#### End date

September 30 2020

#### Comment

Until the 2019 GHG emissions inventory, the base year considered was 2009, the year in which CaixaBank (CB) began to calculate its carbon footprint. In the reporting year, due to the significant changes that have taken place in the company since 2009, it was considered necessary to change the base year to 2015. CB details and analyses the evolution of its carbon footprint following the ISO 14064-1. As established by ISO 14064-1, the base year and subsequent years were recalculated due to significant changes produced in the CB's operational and organizational boundaries that resulted in significant changes in base year emissions. Regarding the organizational limits, the comparative footprint includes the recalculations made in accordance with the new incorporations that have occurred in successive years: Banca Cívica (2012), Banco de Valencia (2013) and Barclays Bank (2015). Regarding the operational limits, GHG emissions verified year by year were recalculated when necessary due to changes such as evolution in consumption data control, updating of emission factors or the addition of new emission sources. For the reporting year, there was no change in the organizational and operational limits. CB recalculates and verifies the base year and subsequent years, restating the historical data, to ensure that it reflects the current organizational and operational boundaries.

### Past year 1

#### Gross global Scope 1 emissions (metric tons CO2e)

5572.59

#### Start date

October 1 2018

#### End date

September 30 2019

#### Comment

Until the 2019 GHG emissions inventory, the base year considered was 2009, the year in which CaixaBank (CB) began to calculate its carbon footprint. In the reporting year, due to the significant changes that have taken place in the company since 2009, it was considered necessary to change the base year to 2015. CB details and analyses the evolution of its carbon footprint following the ISO 14064-1. As established by ISO 14064-1, the base year and subsequent years were recalculated due to significant changes produced in the CB's operational and organizational boundaries that resulted in significant changes in base year emissions. Regarding the organizational limits, the comparative footprint includes the recalculations made in accordance with the new incorporations that have occurred in successive years: Banca Cívica (2012), Banco de Valencia (2013) and Barclays Bank (2015). Regarding the operational limits, GHG emissions verified year by year were recalculated when necessary due to changes such as evolution in consumption data control, updating of emission factors or the addition of new emission sources. For the reporting year, there was no change in the organizational and operational limits. CB recalculates and verifies the base year and subsequent years, restating the historical data, to ensure that it reflects the current organizational and operational boundaries.

## C6.2

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### (C6.2) Describe your organization's approach to reporting Scope 2 emissions.

#### Row 1

##### Scope 2, location-based

We are reporting a Scope 2, location-based figure

##### Scope 2, market-based

We are reporting a Scope 2, market-based figure

#### Comment

We are reporting both a location-based figure and a market-based figure.

## C6.3

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### **(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?**

#### **Reporting year**

##### **Scope 2, location-based**

35340

##### **Scope 2, market-based (if applicable)**

286.7

##### **Start date**

October 1 2019

##### **End date**

September 30 2020

##### **Comment**

Until the 2019 GHG emissions inventory, the base year considered was 2009, the year in which CaixaBank (CB) began to calculate its carbon footprint. In the reporting year, due to the significant changes that have taken place in the company since 2009, it was considered necessary to change the base year to 2015. CB details and analyses the evolution of its carbon footprint following the ISO 14064-1. As established by ISO 14064-1, the base year and subsequent years were recalculated due to significant changes produced in the CB's operational and organizational boundaries that resulted in significant changes in base year emissions. Regarding the organizational limits, the comparative footprint includes the recalculations made in accordance with the new incorporations that have occurred in successive years: Banca Cívica (2012), Banco de Valencia (2013) and Barclays Bank (2015). Regarding the operational limits, GHG emissions verified year by year were recalculated when necessary due to changes such as evolution in consumption data control, updating of emission factors or the addition of new emission sources. For the reporting year, there was no change in the organizational and operational limits. CB recalculates and verifies the base year and subsequent years, restating the historical data, to ensure that it reflects the current organizational and operational boundaries.

#### **Past year 1**

##### **Scope 2, location-based**

47024

##### **Scope 2, market-based (if applicable)**

458.8

##### **Start date**

October 1 2018

##### **End date**

September 30 2019

##### **Comment**

Until the 2019 GHG emissions inventory, the base year considered was 2009, the year in which CaixaBank (CB) began to calculate its carbon footprint. In the reporting year, due to the significant changes that have taken place in the company since 2009, it was considered necessary to change the base year to 2015. CB details and analyses the evolution of its carbon footprint following the ISO 14064-1. As established by ISO 14064-1, the base year and subsequent years were recalculated due to significant changes produced in the CB's operational and organizational boundaries that resulted in significant changes in base year emissions. Regarding the organizational limits, the comparative footprint includes the recalculations made in accordance with the new incorporations that have occurred in successive years: Banca Cívica (2012), Banco de Valencia (2013) and Barclays Bank (2015). Regarding the operational limits, GHG emissions verified year by year were recalculated when necessary due to changes such as evolution in consumption data control, updating of emission factors or the addition of new emission sources. For the reporting year, there was no change in the organizational and operational limits. CB recalculates and verifies the base year and subsequent years, restating the historical data, to ensure that it reflects the current organizational and operational boundaries.

## **C6.4**

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### **(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?**

No

## **C6.5**

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### **(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.**

#### **Purchased goods and services**

##### **Evaluation status**

Relevant, calculated

##### **Metric tonnes CO2e**

4372

##### **Emissions calculation methodology**

Purchased goods and services refer to: paper consumption (recycled, non-recycled, kraft and coated paper), chequebooks, toners (LaserJet and Inkjet), vinyl used for advertisement in the offices, credit cards and water purification and treatment. The calculation was done tracking the kg or units of each material purchased (this provided by the purchasing department) and assigning an emission factor according to relevant LCA for the material. This data is calculated under the ISO 14 064 Standard and the GHG Protocol Scope 3 guidance and verified along Scope 1 and 2 emissions.

##### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

##### **Please explain**

## Capital goods

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

3112

### Emissions calculation methodology

Capital goods refer to the IT equipment (computers, laptops, screens, keyboards) acquired by CaixaBank over the years (This data is provided by the purchasing department). The methodology for the calculation assumes a lifetime of 5 years for the products acquired and assigns one fifth of the LCA carbon emission factor to the year of the purchase and the four subsequent ones. Every year new purchases are incorporated. This data is calculated under the ISO 14 064 Standard and the GHG Protocol Scope 3 guidance and verified along Scope 1 and 2 emissions.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

## Fuel-and-energy-related activities (not included in Scope 1 or 2)

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

61

### Emissions calculation methodology

This category includes the emissions from the value chain of the fuels used in the electric power as well as the transport and electric distribution. The emission factors corresponding to the transport and electricity distribution as well as electricity generation come from DEFRA while the emission factor corresponding to the electrical mix in Spain comes from MAPAMA (Spanish Ministry of Agriculture and Fishing, Food and Environment).

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

## Upstream transportation and distribution

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

CaixaBank provides an intangible service, which means very little upstream transportation of goods, which is why this source is considered as not relevant. Anyway, CaixaBank is working to report these emissions in future years, mainly the emissions associated with the messaging service.

## Waste generated in operations

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

64

### Emissions calculation methodology

Waste generated in operations refers to all the waste produced by CaixaBank's Central Services (This data is provided by the environmental management team). In the reporting year, 25 different waste categories have been included. The calculation was done tracking the kg or units of each kind of waste (plastic, glass, mixed, etc) and assigning an emission factor according to its disposal treatment. This data is calculated under the ISO 14 064 Standard and the GHG Protocol Scope 3 guidance and verified along Scope 1 and 2 emissions.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

## Business travel

### Evaluation status

Relevant, calculated

### Metric tonnes CO<sub>2</sub>e

4281

### Emissions calculation methodology

The scope 3 source Business travel refers to: business travels by air, train, hired cars and vehicles owned by staff. Business travels are managed and controlled by El Corte Inglés company, which reports to CaixaBank the total km depending on the kind of transport and other factors (e.g. the distinction between short, medium and long flights) and the CO<sub>2</sub> emissions. (i) The primary data from planes and train journeys come from the travel agency "El Corte Inglés", which reports the Km travelled and the type of transport according to the classifications stated above (short, medium and long flights, etc). The agency that hires the cars also reports to CaixaBank the Km travelled. Since the nature of the business of these travel agencies is to control the transport products and services they offer, the Kms travelled by the employees of CaixaBank for business purposes are well accounted or easily established. Thus, the quality of the data used was very high. (ii) The assumption for the hired cars was that they were all medium size diesel cars. The methodology used to calculate the GHG emissions in CO<sub>2</sub>e was a Life Cycle Analysis according to ISO14040 and PAS 2050 methodology. (iii) The assumption for the vehicles owned by staff was that they were all medium size diesel and petrol cars. By having the km done without knowing the fuel, the diesel and gasoline distributions was performed.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

## Employee commuting

### Evaluation status

Relevant, calculated

### Metric tonnes CO<sub>2</sub>e

471

### Emissions calculation methodology

Based on the survey prepared for the CaixaBank Mobility Study at the beginning of 2019, the emissions associated with the employee commuting from their homes to their jobs have been estimated. It was considered the employees in CaixaBank headquarters, as they are the group of employees with stable work conditions, and who regularly travel this distance to work. In this sense, the means of transport used have been considered, and the average km of the 570 answered surveys of the headquarters have been extrapolated to the total workforce in the reporting year (1,518 workers) for 122 working days. Due to confinement resulting from the Covid-19 pandemic and the large number of days of teleworking, the annual days of commuting to the office have been calculated from the percentage of occupancy of the building in each month. This survey, compared to the previous ones, is more specific in terms of transport modes used and of combination of different transport modes, and thus the results allow to obtain emission results that are much closer to reality. This data is calculated under the ISO 14 064 Standard and the GHG Protocol Scope 3 guidance and verified along Scope 1 and 2 emissions.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

## Upstream leased assets

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO<sub>2</sub>e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

The emissions associated to the electrical and fuel consumption of the offices rented have already been included in the scope 1 and scope 2 emissions, as if they were owned offices. For this reason, the evaluation status of this source in scope 3 is "not relevant". Including these emissions in scope 3 would lead to double accountability, as the emissions are already included in scopes 1 and 2.

## Downstream transportation and distribution

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO<sub>2</sub>e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

The reason to consider this category of Scope 3 as not relevant is consequence to the intrinsic functioning of the activity of CaixaBank, as the entity is responsible for the costs associated with transportation and distribution in most cases.

## Processing of sold products

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

The financial services offered by CaixaBank do not imply that there is an associated physical product. Therefore, due to the nature of the business of CaixaBank, this category of scope 3 emissions is considered not relevant.

## Use of sold products

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

The financial services offered by CaixaBank do not imply that there is an associated physical product. Therefore, due to the nature of the business of CaixaBank, this category of scope 3 emissions is considered not relevant. In the case that the paper used in the contracts of the financial services was considered a "sold product", the associated emissions are not accounted in this category, as they are already included in the category "purchased goods and services".

## End of life treatment of sold products

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

The financial services offered by CaixaBank do not imply that there is an associated physical product with end of life treatment emissions associated. Hence, due to the nature of the business of CaixaBank, this category of scope 3 emissions is considered not relevant.

## Downstream leased assets

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

The carbon footprint of CaixaBank only includes the emissions of activities where it holds 100% of the operational control. Specifically, some of the spaces that the group might rent are not included in the carbon footprint, since CaixaBank does not have the control to influence on these emissions. Therefore, this source of scope 3 has been considered not relevant.

## Franchises

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

CaixaBank does not have any franchises. Therefore, it is not relevant.

**Other (upstream)**

**Evaluation status**

**Metric tonnes CO2e**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

**Other (downstream)**

**Evaluation status**

**Metric tonnes CO2e**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

C6.10

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**(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.**

**Intensity figure**

5.7e-9

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)**

3883.49

**Metric denominator**

unit total revenue

**Metric denominator: Unit total**

680618000000

**Scope 2 figure used**

Market-based

**% change from previous year**

39

**Direction of change**

Decreased

**Reason for change**

This intensity figure has decreased by 39% compared to last year mainly as a result of the 35% reduction in our scope 1+2 emissions compared with the last period. Changes in emissions have been due both to the impact of COVID-19 on CaixaBank's activity (reduction of emissions associated with corporate journeys or increases due to the provision of IT equipment needed to cover new remote working needs) and improvements implemented in recent years. The overall decrease in scope 1+2 emissions is mainly due to the reduction of scope 1 emissions. Several emission reduction actions have taken place in the reporting year to reduce scope 1 emissions in CaixaBank, such as the replacement of 70 high-consumption air conditioning equipment in the offices of our branch network (BN), avoiding the recharge of the R404A, R407A, R407C y R422A gases, refrigerant gases with high GWP, and thus achieving a reduction of emissions. Other scope 1 emission reduction actions include the incorporation of 24 hybrid vehicles in our renting vehicle fleet, replacing more emitting diesel vehicles, and achieving a 15% hybrid car fleet in the Branch Network. In addition, petrol emissions linked to the renting car fleet at the Corporative Center in Barcelona decreased by 34%, partly associated with awareness carried out through CaixaBank's Portal Comunica-t, a communication tool through which environmental awareness messages are sent to employees to reduce the impact caused by trips, among others actions. The decrease of this intensity figure is also partly due to a 6% increase the total revenue of CaixaBank compared to last year. CB recalculated the previous period's figure to ensure that it reflects the current carbon footprint period.

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**Intensity figure**

0.1413

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)**

3883.49

**Metric denominator**

full time equivalent (FTE) employee

**Metric denominator: Unit total**

27488

**Scope 2 figure used**

Market-based

**% change from previous year**

36

**Direction of change**

Decreased

**Reason for change**

This intensity figure has decreased by 36% compared to last period mainly as a result of the 35% reduction in our scope 1+2 emissions compared with the last period. Changes in emissions have been due both to the impact of COVID-19 on CaixaBank's activity (reduction of emissions associated with corporate journeys or increases due to the provision of IT equipment needed to cover new remote working needs) and improvements implemented in recent years. The overall decrease in scope 1+2 emissions is mainly due to the reduction of scope 1 emissions. Several emission reduction actions have taken place in the reporting year to reduce scope 1 emissions in CaixaBank, such as the replacement of 70 high-consumption air conditioning equipment in the offices of our branch network (BN), avoiding the recharge of the R404A, R407A, R407C y R422A gases, refrigerant gases with high GWP, and thus achieving a reduction of emissions. Other scope 1 emission reduction actions include the incorporation of 24 hybrid vehicles in our renting vehicle fleet, replacing more emitting diesel vehicles, and achieving a 15% hybrid car fleet in the Branch Network. In addition, petrol emissions linked to the renting car fleet at the Corporative Center in Barcelona decreased by 34%, partly associated with awareness carried out through CaixaBank's Portal Comunica-t, a communication tool through which environmental awareness messages are sent to employees to reduce the impact caused by trips, among others actions. CB recalculated the previous period's figure to ensure that it reflects the current carbon footprint period.

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## C7. Emissions breakdowns

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### C7.9

**(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**

Decreased

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#### C7.9a

**(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.**

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	There have been no additional purchases of renewable energy in the reporting year because, firstly, CaixaBank's percentage of renewable electricity consumption is already very high, almost at its maximum (99.3% of the energy consumed in the reporting year was from renewable sources). Secondly, CaixaBank is implementing several energy reduction initiatives, which means that renewable electricity consumption will inevitably decrease in absolute numbers.
Other emissions reduction activities	299	Decreased	5	CaixaBank implemented several scope 1+2 emission reduction activities in the reporting year, which mainly included: an automation project in the Branch network (where 685 branches offices and 19 corporate buildings were monitored, and 339 remotely manages stores), incorporation of 24 hybrid vehicles in the current fleet (replacing more emitting diesel vehicles), replacement of fluorescent lightning for LED lightning in the Central Services Buildings, replacement of 70 high-energy consumption air conditioning units with more efficient ones in the branch network in Spain, among others (see question C4.3b for more information of these activities). As a result of the several scope 1+2 emission reduction activities implemented in the reporting year, CaixaBank achieved a reduction of 299 tons of CO2. This emissions value was calculated in percentage following the CDP methodology for this question, as follows: 299 tons of CO2 / 6,031.39 tons of CO2 (scope 1+2 emissions in the previous reporting year) * 100 = 5%. CB recalculated the previous period's scope 1+2 emissions to ensure that it reflects the current carbon footprint period (October 01 to September 30).
Divestment		<Not Applicable >		
Acquisitions		<Not Applicable >		
Mergers		<Not Applicable >		
Change in output		<Not Applicable >		
Change in methodology		<Not Applicable >		
Change in boundary		<Not Applicable >		
Change in physical operating conditions		<Not Applicable >		
Unidentified		<Not Applicable >		
Other	3517	Decreased	43	Considering that the reporting year was unique due to the Covid-19 pandemic, the reduction in emissions from Scope3: Business Travel and Scope3: Employee Commuting can be partially explained as a result of the reduction in both employee commuting (expansion of teleworking) and motivated by the activities of the work itself (reduction in business travel). There is also a part of the reduction that was generated by the reduction initiatives implemented and discussed in item C4.3b. The responsibility of each is difficult to account for. As a result, CaixaBank achieved a reduction of 3,517 tonnes of CO2 considering the sum of these two categories of emissions under scope 3 (business travel and employee commuting). This emissions value was calculated in percentage following the CDP methodology for this question, as follows: 3,517 tons of CO2 / 8,269 tons of CO2 (scope 3: Business travel + scope3: Employee commuting emissions in the previous reporting year) * 100 = 43%.

## C7.9b

**(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?**

Market-based

## C8. Energy

### C8.1

**(C8.1) What percentage of your total operational spend in the reporting year was on energy?**

More than 0% but less than or equal to 5%

### C8.2



**(C8.2) Select which energy-related activities your organization has undertaken.**

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

**C8.2a**

**(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.**

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	5421	5421
Consumption of purchased or acquired electricity	<Not Applicable>	140433	927	141360
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>	140433	6348	146781

**C9. Additional metrics**

**C9.1**

**(C9.1) Provide any additional climate-related metrics relevant to your business.**

**C10. Verification**

**C10.1**

**(C10.1) Indicate the verification/assurance status that applies to your reported emissions.**

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

**C10.1a**

**(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.**

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Reasonable assurance

**Attach the statement**

Carbon Footprint Verification\_Caixabank\_2019-2020.pdf  
CAIXABANK\_INFORME\_2019-2020.pdf

**Page/ section reference**

All document.

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

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### C10.1b

**(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.**

**Scope 2 approach**

Scope 2 market-based

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Reasonable assurance

**Attach the statement**

Carbon Footprint Verification\_Caixabank\_2019-2020.pdf  
CAIXABANK\_INFORME\_2019-2020.pdf

**Page/ section reference**

All document.

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

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### C10.1c

**(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.**

**Scope 3 category**

Scope 3: Purchased goods and services

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Reasonable assurance

**Attach the statement**

Carbon Footprint Verification\_Caixabank\_2019-2020.pdf  
CAIXABANK\_INFORME\_2019-2020.pdf

**Page/section reference**

All document.

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

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**Scope 3 category**

Scope 3: Capital goods

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Reasonable assurance

**Attach the statement**

Carbon Footprint Verification\_Caixabank\_2019-2020.pdf  
CAIXABANK\_INFORME\_2019-2020.pdf

**Page/section reference**

All document.

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

---

**Scope 3 category**

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Reasonable assurance

**Attach the statement**

Carbon Footprint Verification\_Caixabank\_2019-2020.pdf  
CAIXABANK\_INFORME\_2019-2020.pdf

**Page/section reference**

All document.

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

---

**Scope 3 category**

Scope 3: Waste generated in operations

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Reasonable assurance

**Attach the statement**

Carbon Footprint Verification\_Caixabank\_2019-2020.pdf  
CAIXABANK\_INFORME\_2019-2020.pdf

**Page/section reference**

All document.

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

---

**Scope 3 category**

Scope 3: Business travel

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Reasonable assurance

**Attach the statement**

Carbon Footprint Verification\_Caixabank\_2019-2020.pdf  
CAIXABANK\_INFORME\_2019-2020.pdf

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**Page/section reference**

All document.

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

**Scope 3 category**

Scope 3: Employee commuting

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Reasonable assurance

**Attach the statement**

Carbon Footprint Verification\_Caixabank\_2019-2020.pdf

CAIXABANK\_INFORME\_2019-2020.pdf

**Page/section reference**

All document.

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

**C10.2****(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?**

Yes

**C10.2a****(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?**

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C5. Emissions performance	Change in Scope 1 emissions against a base year (not target related)	ISO14064-3	This data is also verified annually with the given standard.
C5. Emissions performance	Change in Scope 2 emissions against a base year (not target related)	ISO14064-3	This data is also verified annually with the given standard.
C6. Emissions data	Year on year change in emissions (Scope 1 and 2)	ISO14064-3	This data is also verified annually with the given standard.
C6. Emissions data	Year on year change in emissions (Scope 3)	ISO14064-3	This data is also verified annually with the given standard.
C6. Emissions data	Change in Scope 1 emissions against a base year (not target related)	ISO14064-3	This data is also verified annually with the given standard.
C6. Emissions data	Change in Scope 2 emissions against a base year (not target related)	ISO14064-3	This data is also verified annually with the given standard.
C6. Emissions data	Change in Scope 3 emissions against a base year (not target related)	ISO14064-3	This data is also verified annually with the given standard.
C7. Emissions breakdown	Year on year change in emissions (Scope 1 and 2)	ISO14064-3	This data is also verified annually with the given standard.

**C11. Carbon pricing****C11.2****(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?**

Yes

**C11.2a**

**(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.**

**Credit origination or credit purchase**

Credit purchase

**Project type**

Wind

**Project identification**

44.40 MW WIND ENERGY PROJECT BY RUCHI SOYA INDUSTRIES LIMITED The project activity is promoted by Ruchi Soya Industries Limited, it involves the installation of 56 wind turbines (WTG) manufactured by Suzlon with a total installed capacity of 44.40 MW. The wind turbines for the project activity are located in the states of Madhya Pradesh and Rajasthan in India. All wind turbines are connected to the regional network, NEWNE, with the exception of three wind turbines with a nominal capacity of 600 kW each, located in Madhya Pradesh, whose energy is transported for their own use at the Ruchi Soya plants in Madhya Pradesh. The project aims to provide clean and affordable energy generating 86 GWh of clean electricity every year, promotes the local economy and create local employment opportunity during the installation, operation and maintenance periods, reduces pollutants such as sulfur dioxide, nitrogen oxides, and particles resulting from the use of fossil fuels for electricity generation, helps decrease the country's dependence on non-renewable resources, and reduces 81,853 tons of CO2 per year.

**Verified to which standard**

VCS (Verified Carbon Standard)

**Number of credits (metric tonnes CO2e)**

16200

**Number of credits (metric tonnes CO2e): Risk adjusted volume**

16200

**Credits cancelled**

Yes

**Purpose, e.g. compliance**

Voluntary Offsetting

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**Credit origination or credit purchase**

Credit origination

**Project type**

Forests

**Project identification**

PROJECT BOSQUE CAIXABANK MONTSERRAT It is a project of CO2 absorption by reforesting burned areas on the mountain of Montserrat, Barcelona, Spain. Plantation of Quercus ilex subsp. ballota, Pinus pinea, Prunus dulcis, Crataegus monogyna and Arbutus unedo and sowing of Pinus halepensis. Both Credit purchase and Credit origination. The promoter of this project is CaixaBank. This year CaixaBank offset 25 tons of this project, as done last year, and will continue offsetting with it in the next years.

**Verified to which standard**

Other, please specify (Spanish Government (Ministerio de Agricultura, Pesca y Alimentación))

**Number of credits (metric tonnes CO2e)**

25

**Number of credits (metric tonnes CO2e): Risk adjusted volume**

25

**Credits cancelled**

Yes

**Purpose, e.g. compliance**

Voluntary Offsetting

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**Credit origination or credit purchase**

Credit origination

**Project type**

Forests

**Project identification**

PROJECT BOSQUE CAIXABANK EJULVE (TERUEL). It is a project of CO2 absorption by reforesting burned areas in the town of Ejulve, Teruel, Spain. Plantation of Quercus ilex subsp. ballota, Quercus faginea, Sorbus domestica, Pinus sylvestris, Celtis australis, Prunus spinosa, Crataegus monogyna and Pinus nigra ssp salzmannii.

**Verified to which standard**

Other, please specify (Spanish Government (Ministerio de Agricultura, Pesca y Alimentación))

**Number of credits (metric tonnes CO2e)**

25

**Number of credits (metric tonnes CO2e): Risk adjusted volume**

25

**Credits cancelled**

Yes

**Purpose, e.g. compliance**

Voluntary Offsetting

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**(C11.3) Does your organization use an internal price on carbon?**

Yes

**C11.3a**

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**(C11.3a) Provide details of how your organization uses an internal price on carbon.**

**Objective for implementing an internal carbon price**

Navigate GHG regulations  
Drive energy efficiency  
Drive low-carbon investment  
Identify and seize low-carbon opportunities

**GHG Scope**

Scope 1  
Scope 2

**Application**

The carbon price is applied across the entire company and is determined by the Corporate Social Responsibility Department (since March 2021, Chief Sustainability Office). CaixaBank (CB) thinks that it is important that enterprises put a price on carbon, to help limit the increase in global mean temperature to two degrees Celsius above pre-industrial levels. In addition, CB assumes that, independently of the regulations, addressing climate change will be both a cost and an opportunity for the bank. Using a price on carbon allows CB to determine its investments in greenhouse gas emissions reductions strategy, which consists in reducing emissions via the development of energy efficiency projects, raising environmental awareness, promoting good environmental practices and offsetting the emissions that CB is not able to reduce.

**Actual price(s) used (Currency /metric ton)**

5

**Variance of price(s) used**

A single price is applied throughout the company and it can develop over time as a result of the market (as the CB's price on carbon is partly set based on the average carbon credit price of the voluntary carbon market). In the reporting year, the average carbon price of the voluntary market was of \$5.54/ tonne CO<sub>2</sub>\*. Besides market prices, CB's internal carbon price is also determined according to how much of the budget the bank is willing to use to reduce its environmental impact. In addition, CB also considered the investment of the Montserrat and Teruel project (see question C11.2a) and the tones of CO<sub>2</sub> that can be offset through it. \*Source of the carbon credit price in the voluntary carbon market: State of Voluntary Carbon Markets 2020.

**Type of internal carbon price**

Shadow price  
Offsets

**Impact & implication**

The rationale for employing a carbon price is that CB thinks that it's important that enterprises put a price on carbon, to help limit the increase in global mean temperature to 2 degrees Celsius above pre-industrial levels. In addition, CB assumes that independently of the regulations, addressing climate change will be both a cost and an opportunity for the bank. Using a price on carbon allows CB to determine its investments in GHG emissions reductions strategy, which consists in reducing emissions via the development of energy efficiency projects, raising environmental awareness, promoting good environmental practices and offsetting the emissions that CB is not able to reduce. Examples of how carbon pricing affects strategic decision-making related to future investments: CaixaBank's policy focuses on reducing operational costs through executing emission reduction activities that lead to a reduction in energy consumption and thus a decrease in emissions. These activities include the purchase of renewable electricity with Guarantee of Origin, energy efficiency activities such as replacement of lights and computers, etc. In addition, CB uses an internal price of carbon to promote the offsetting of those emissions that the bank is still not able to reduce. This enables CB to have an annual budget for buying carbon credits of high quality emissions reduction projects, and as an incentive for following up with the planning and execution of carbon reduction initiatives. CB's price on carbon is set at €5/tCO<sub>2</sub> based on the average carbon credit price of the voluntary carbon market, which in 2020 was \$5.54/tCO<sub>2</sub>\* as well as on what part of the budget CB is willing to use for reducing its environmental impact. In addition, CB also considered the investment of the Montserrat and Teruel project and the tones of CO<sub>2</sub> that can be offset through it. A higher carbon pricing would lead to do an increase in investments on energy efficiency and emissions reductions activities, in order to invest in reducing emissions on the long term and to spend less money on offsetting emissions. A lower carbon pricing would lead to the execution of less emissions reduction activities because offsetting emissions would be cheaper than investing in energy efficiency. \*Source of the carbon credit price in the voluntary carbon market: State of Voluntary Carbon Markets 2020.

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**C12. Engagement**

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**C12.1**

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**(C12.1) Do you engage with your value chain on climate-related issues?**

Yes, our suppliers  
Yes, our customers  
Yes, other partners in the value chain

**C12.1a**

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**(C12.1a) Provide details of your climate-related supplier engagement strategy.**

**Type of engagement**

Information collection (understanding supplier behavior)

**Details of engagement**

Collect climate change and carbon information at least annually from suppliers

**% of suppliers by number**

100

**% total procurement spend (direct and indirect)**

100

**% of supplier-related Scope 3 emissions as reported in C6.5**

100

**Rationale for the coverage of your engagement**

One of the 5 lines of action of CaixaBank (CB) 2019-2021 Environmental Management Plan is extending the environmental commitment to the value chain, including all suppliers. CB implemented a green purchasing strategy to identify the categories with the greatest potential environmental impact. CB has a corporate procurement procedure (CPP) organized and specialized by category (Logistics, IT, Marketing etc.) with a transversal view that manages all Group's purchases and aims to obtain the goods and services in a responsible and sustainable manner. CB seeks to establish relationships with suppliers who share the same environmental commitment, having established criteria and control mechanisms, such as carrying out audits to ensure compliance with them. The Principles of Procurement establishes a balanced framework for cooperation between CB and its suppliers. Sustainability is one of the five principles of procurement and aims to disseminate environmental considerations in CB's network of suppliers and promote the contracting of suppliers who implement best environmental practices. The Supplier Code of Conduct aims to disseminate and promote the values and principles that will govern the activity of CB's suppliers, and sets out guidelines for the conduct of companies that work as suppliers in relation to, among others, compliance with current legislation, standards, and measures related to environment and climate change. The Procurement Policy establishes the criteria to be followed when selecting and negotiating with suppliers. The on-site validation audit process aims to gather evidence to ensure that CB has the information necessary to generate a risk map for its main suppliers. In addition to reducing risks, CB seek continuous improvement in the management of its suppliers and aim to provide them with added value by assisting in their development. Regarding Climate Change, CB annually collects information indicating whether suppliers are ISO 14001 certified, calculates and discloses their carbon footprint. CB wants to gain a better understanding of the supplier's commitment and action against climate change and further engage in aligning them with the Group's environmental standards. Identifying the most emitting suppliers and engaging with them so they take measures to reduce their emissions will help in reducing CB's scope 3 emissions.

**Impact of engagement, including measures of success**

CaixaBank (CB) measures the success of this engagement by the number of suppliers that provide climate related information, both the number of suppliers that have implemented the ISO 14001 certification as well as the number of suppliers that calculate their carbon emissions, and the response rate in each case out of the total suppliers. In the reporting year, CB carried out 16 audits. From a total of 7374 suppliers, 1,226 (17%) confirmed they had implemented the ISO 14001 certification, while only 60 suppliers (0,8%) calculated their carbon emissions. These values are higher than the previous year 2019, where 2.4% (189 suppliers out of the 7,767) had implemented the ISO 14001 and 8 suppliers (0.1%) confirmed they annually calculate their carbon footprint. All information is stored in CB's online supplier management tool. Despite being at the early stages, CB expect to increase the response rate of its suppliers in order to gain a better understanding of their commitment and action against climate change, and thus be able to continue engaging actively with those who do not currently take action. As mentioned, one of the 5 lines of action of CB's 2019-2021 Environmental Management Plan is extending the environmental commitment to the value chain, including all our suppliers. In addition, CaixaBank is currently planning to collect information on whether its suppliers offset the emissions they have not been able to reduce and on their use of renewable energy.

**Comment**

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**C12.1b**

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## (C12.1b) Give details of your climate-related engagement strategy with your customers.

### Type of engagement

Information collection (understanding customer behavior)

### Details of engagement

Collect climate change and carbon information from new customers as part of initial due diligence

### % of customers by number

100

### % of customer - related Scope 3 emissions as reported in C6.5

100

### Portfolio coverage (total or outstanding)

Majority of the portfolio

### Please explain the rationale for selecting this group of customers and scope of engagement

CB's model for integrating Environmental Risk (ER) Analysis into admission processes considers the ER of both the customer and the operation. All clients must be qualified according to ER before granting credit, prioritizing depending on impacts in the sector and the amount of the projects. During the credit approval process, the specific transaction is assessed in accordance with the ERM Policy (evaluating general and sectoral exclusions). The ER is analysed, defined as the probability of occurrence of damage that can cause significant adverse effects on any element of environment, including CC. CB assesses the sector, the company and its trajectory, public and market information, documentation of the project and its specific risks, information or assessment of experts and other aspects (at the operation level, compliance with the Equator Principles and International Finance Corporation standards is applied). An initially high-risk project can improve its rating if it has an adequate environmental management plan. The degree of carbon intensity compared to the sector average is assessed. Data is collected from client's annual public reports, external ESG rating agencies and market tools (MSCI). The ER sanction will be concluded as: favourable, favourable with conditions or unfavourable. This evaluation is integrated into the client or transaction file and is evaluated along with the other financial and credit quality factors for the final admission decision. Depending on the type of client, the analysis is conducted by a centralised ER Analysis team or by decentralised teams in the Risk Acceptance Centres. During the reporting year, a dedicated sustainable finance team has started implementing another internal engagement process to support client transition. Clients are provided with a diagnosis of the company's ESG status and with an assessment of their sustainability strategies, action plans and internal policies; their reputation and ESG Ratings, and their sustainable financial activity. Following the diagnosis, clients are offered advice and a proposal to define a roadmap in terms of sustainability to align with the best ESG practices in their industries, comparing themselves with their competitors and meeting the standards demanded by stakeholders. The process continues with an agreement of next steps and the opening of a periodical review process.

### Impact of engagement, including measures of success

Engagement during client onboarding: CB measures the success of this action by the number of favourable applications compared to the unfavourable applications out of all the applications received. In 2020, 292 applications were received, of which 236 were client analysis and 56 were project analysis. 2 of these operations were rejected for not complying with the policy, both companies related to coal. Therefore, by rejecting 2 applications of companies related to coal, that did not pass CB's ER assessment, the Group reduces its exposure to potential climate risks that could arise from financing this fossil fuel and decreases its exposure to carbon related assets, in line with the Groups Strategy. Around 72% of the applications were analysed by the decentralised teams at Risk Acceptance Centers. Regarding the Energy Efficiency Certificate (EEC) that is collected within the Real Estate (RE) transactions, A or B ratings are considered environmentally sustainable. CB is adapting its information systems and loan allocation processes to input information and documentation regarding the energy certificate when operations are formalized. Energy information concerning planned property developments is also included. The promotions formalised in the reporting year include transactions amounting to €2,297 million with an expected rating of A or B. The individual assessment is carried out for all corporate and business client transactions, which represent approx. 21% of the Exposure at Default of the credit portfolio. In addition, for all new RE financing transactions (mortgage loans, developer loans and Commercial Real Estate) the EEC of the financed RE asset is requested as part of the credit approval process. RE portfolio represents approximately 36% of total customers loans. Engagement strategy to support client transition: During the reporting year, 66 clients have been provided with a diagnosis of the company's ESG status. CB has concluded that its internal engagement process, developed independently, is very similar to the approach proposed by Cambridge Institute for Sustainability Leadership in their guide: "Let's discuss Climate: The essential guide to bank-client engagement". This approach is currently presented as a best practice guide by UNEP FI in the "client transition and underwriting" module of the TCFD Banking Pilot Phase 3 working group.

### Type of engagement

Education/information sharing

### Details of engagement

Share information about your products and relevant certification schemes (i.e. Energy STAR)

### % of customers by number

100

### % of customer - related Scope 3 emissions as reported in C6.5

0

### Portfolio coverage (total or outstanding)

Majority of the portfolio

### Please explain the rationale for selecting this group of customers and scope of engagement

CaixaBank offers an advisory service linked to all its products to help clients to make an informed decision based on ESG criteria. CaixaBank has developed a platform to strengthen the advice of its clients by its professionals in relation to sustainable election of bank's commercial products, such as investment funds, pension plans or insurances. Specifically, regarding the offer of funds, CaixaBank provides the clients with a platform called Ocean, an open architecture catalog where they can look and compare the different offer of funds and the sustainability scoring. Ocean, the first online third-party fund platform with personalized information for each customer includes information on the sustainability of funds as a selection criterion and will help clients in their decision-making when looking for investment vehicles with Socially Responsible Investment criteria, including climate-related performance. To accomplish this, CaixaBank will use the Morningstar globe method, which assigns a score between 1 and 5 globes to each fund on the basis of objective sustainability indicators.

### Impact of engagement, including measures of success

CaixaBank measures the success of this action by the number of customers operating transactions through the Ocean platform and the respective transaction value. In the reporting year, 28,639 operations have been developed on the Ocean platform for more than €1,100m. The main lines of financing recommended at Ocean are: projects in connection with the efficient use of water, renewable energies, waste management, energy efficiency, organic farming and development of rural communities through EcoFinancing, financing for energy-efficient buildings, and AgroBank Loans.

## C12.1d



**(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.**

Since 2015, CaixaBank (CB) has engaged with policy makers, specifically with the Government of Catalonia and the Government of Spain, by participating and publicly committing to reducing its GHG emissions through the Voluntary Agreements Program of the Government of Catalonia and the Carbon Footprint Registry of the Spanish Environmental Ministry, where CB annually report its emission reduction initiatives. Furthermore, during the reporting year, CB signed the Manifesto for a sustainable economic recovery addressed to the Congress of Deputies asking that stimulus policies derived from COVID-19 to be aligned with sustainability policies and with the European Green Deal, and signed up the Green Recovery Call to Action, promoted in the European Parliament, which seeks to align economic recovery plans with the Paris Agreements.

Employee engagement is one of the 5 lines of actions in the CB's 2019-2021 Environmental Management Plan. Since 2019, CB is reinforcing this engagement with activities for increasing the environmental awareness such as sending emails, messages over the Intranet, publications in internal magazines, etc. A specific web page has been updated including environmental information, from company policy and certifications to environmental training. To achieve the involvement of employees, CB has a Good Environmental Practices Manual, which details measures that may be adopted in the workplace to minimize the environmental and climatic impact associated with the use of resources (energy, office material, etc.) and waste production. CB established, in the reporting year, the Sustainability School where employees have been trained in environmental management, project finance for renewable energy and TCFD recommendations. In addition, through the "automatic travel booking" tool, employees are informed about the CO2 emissions associated with the journey. As a result of these engagement, significant emission and waste reductions have been achieved throughout the years, such as a reduction of 42% of toner waste in the reporting year. However, the Covid-19 pandemic involved the replanning of some activities envisaged, including certain face-to-face engagement measures towards remote working.

CB disseminates its commitment to fight against climate change to its stakeholders through different channels such as the Annual Report or CDP, both mainly addressed to investors, or its Environmental Statement, addressed to the public. Raising awareness has been identified as an important matter in a long term during the shareholders and investors decision making process. CB reinforces its climate change performance perception to keep its current shareholders and to attract environmentally conscious new ones. Maintaining the inclusion of CB in the world's leading sustainability indexes such as Dow Jones Sustainability Index, FTSE4Good, STOXX Global ESG, and CDP, brings forward an opportunity for investors and shareholders to gain a better understanding of the company's management quality and future performance potential.

In 2014 the Board of Directors approved a plan that aims at achieving that all CB's subsidiaries approve and implement an environmental policy with minimum standards and work towards improving their environmental management, including actions to reduce climate change emissions. CB's main subsidiaries impacted by climate change are CB Facilities Management, VidaCaixa, Building Center, CB Asset Management and MicroBank. The Group commits to have all its subsidiaries apply an environmental policy and set the ground requirements they must address. Currently, 14 subsidiaries have an environmental policy approved. VidaCaixa and CB Asset Management are signatories of the UNPRI and the Climate Action 100+ initiative.

To advance in a global standard of Taxonomy, in 2019, CB joined the UNEP FI working group to draw up a guide for banking to adapt to the EU taxonomy. Within the framework of this working group, during the reporting year, the challenges of applying Taxonomy to banking products were analyzed collectively, and case studies were drawn up. The conclusions and recommendations are included in the report "Testing the application of the EU Taxonomy to core banking products". Other actions carried out in the reporting year were: (i) CB participated actively in the second UNEP FI pilot project to implement the recommendations of the TCFD in the banking sector (TCFD Banking Pilot Phase II). CB's participation in the stage 3 is scheduled for 2021. (ii) CB participated in a case study by the EBA on taxonomically aligned metrics within the framework of the survey on ESG risk disclosures in Pillar 3.

Meanwhile, CB has been a signatory of the Green Bond Principles since 2015. Since then, CB has participated in the placement of green bonds for projects with a positive impact on climate. In the reporting year, CB participated in 6 green bond (as a Joint Bookrunner and one own) with a total volume of €4,700 million.

**C12.3**

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**(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?**

Trade associations  
Other

**C12.3b**

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**(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?**

Yes

**C12.3c**

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**(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.**

**Trade association**

World Savings and Retail Banking Institute (WSBI) and European Savings and Retail Banking Group (ESBG)

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

Founded in 1924, WSBI focuses on issues of global importance affecting the banking industry. It supports the aims of the G20 in achieving sustainable, inclusive and balanced growth and job creation around the world, whether in industrialised or less developed countries. WSBI represents the interests of its members towards international policy makers and standard setters on the main regulatory and other issues that shape international retail banking policy. They also promote a vision for a pluralistic banking model and an enabling environment for financial inclusion. WSBI has the additional role of bringing together members to exchange knowledge through meetings at international level as well as technology platforms. WSBI-ESBG has been a signatory of the United Nations Global Compact since 2006, whose 10 Principles provide a complete description of the commitments to follow in the area of social and environmental responsibility. Based on this, WSBI-ESBG pays deep consideration to the new set of 17 measurable Sustainable Development Goals (SDGs), formally accepted by the UN General Assembly in 2015, and which range from ending world poverty to fighting climate change and further developments by 2030. WSBI-ESBG member banks recognise that the environmental challenge and climate change are some of the main collective hazards ever experienced worldwide. As part of their strong commitment to corporate social responsibility (CSR) and sustainable development, WSBI-ESBG and its members contribute to the mitigation of climate change and therefore they: -Acknowledge the risks and opportunities caused by environmental issues and try to adapt their business accordingly. -Work towards mitigating the impact of their business on the environment, both directly in terms of own operations and indirectly in terms of customers and suppliers. -Promote projects in energy efficiency, green transport and energy, mainly via the loan business. - Promote products and services that respect social, environmental and sustainable development criteria.

**How have you influenced, or are you attempting to influence their position?**

CaixaBank (CB) aligns with WSBI-ESBG's climate change vision and participates in working groups with them. This association, in turn, participates and influence policy makers in the development of policies in this sense. During the reporting year, CB have continued actively contributing to the climate change debate, participating in the consultation process of relevant legislative proposals related to the 2018 European Commission's Action Plan on Sustainable Finance. CB also contributed to the debate of Renewed Strategy on Sustainable Finance. CB supports a flexible EU framework for identifying sustainable activities (the EU taxonomy), which takes duly into account the transition efforts to a greener economy. CB also participated in the discussions to enhance transparency and disclosures of non-financial information, supporting the establishment of a global non-financial information standard setter. Finally, CB closely followed developments in the prudential framework to incorporate climate risk in risk management. CB aims at monitoring new standards and supporting the adoption of the Paris Agreement and the 2030 Agenda to deal with the impacts of climate change. CB is part of the Task Force on sustainable finance and respond to most of the European initiatives. During the reporting year, CB participated in the following consultations. Inquiries about ESG risk management: - ECB Guide on climate and environmental risks in which it establishes the expectations in terms of supervision of financial institutions regarding the transversal integration of risks, - EBA consultation on the management and supervision of ESG risks for credit institutions and investment services companies. Inquiries related to the disclosure of sustainability information: - Public consultation of the IASB for the establishment of an international standard setter of non-financial information, - Consultation from European Financial Reporting Advisory Group on the establishment of a European standard setter for non-financial information. Others relevant inquiries: - European Commission (EC) consultation on the renewed sustainable finance strategy, - Consultation of the EC on delegated acts of the taxonomy of activities for adaptation and mitigation of climate change.

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**Trade association**

CECA

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

CECA is a banking association committed to promoting, defending, and representing its associated companies' interests, giving them advice, and cementing their social mission. Represented in CECA are savings banks, banking foundations and credit institutions that can integrate, and maintain the functions and aims that it holds in accordance with the aforementioned regime, and others who are determining their statutes. The credit institutions associated with CECA are characterised by the so-called 3Rs, which identify all members of the WSBI (The World Savings and Retail Banking Institute): Retail: Focused on the financing of families and SMEs; Responsible: Identified with the Social Projects and Corporate Social Responsibility; Rooted: Rooted in the community: Bound and committed to the areas in which they act. Finresp, the Financial Center for Sustainability in Spain, is an initiative of AEB, CECA, Inverco, Unacc and Unespa to meet the needs of the Spanish productive fabric, particularly SMEs, in their adaptation to the principles and standards of sustainability developed by the UN. Finresp presented its commitments to the environment and responsible finances within the framework of the Climate Summit COP25 In Madrid in 2019. In this sense, the CEO of CECA stated that "the role that the financial sector will play as a catalyst for a new production model based on a decarbonised economy is key. The European authorities they must facilitate this work in the design of the new Green Pact".

**How have you influenced, or are you attempting to influence their position?**

CaixaBank aligns with CECA's climate change vision and participates in working groups with them. This association, in turn, participates and influence policy makers in the development of policies in this sense. In 2019, CaixaBank joined the UN Collective Commitment to Climate Action, which reflects the desire of the Bank to align its portfolio with the goals of the Paris Agreement, generate a positive impact and set targets. Additionally, CaixaBank signed on to the Commitment to the Climate that CECA and the AEB have been promoting for the Spanish banking sector.

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**C12.3e**

### (C12.3e) Provide details of the other engagement activities that you undertake.

CaixaBank (CB) collaborates with the World Wildlife Fund (WWF), who actively works to advance policies to fight CC, to engage with businesses to reduce carbon emissions and to help people and nature adapt to a changing climate. CB, through its specialized financial service MicroBank, collaborates with the WWF on funding environmental conservation, sustainable development and CC programs, through its own financial contributions and those of its customers.

CB participated with the Catalan regional government to develop the Environmental quality guarantee emblem for the branch network. The environmental criteria aim to minimize the branches' impact on the environment and encourage the ecological sensitivity of employees and users. CaixaBank participated in the revision of the branch offices category and renewed again its commitment with the Environmental quality guarantee emblem for both years. This means that now offices are certified for its energy efficiency, as well as other criteria such as water savings, waste management, mobility, among others.

CaixaBank is partner of Foretica, the Spanish Business Council for Sustainable Development, whose position on CC is to help the enterprises to maximize a positive contribution to reach a sustainable future. CaixaBank supports this position, as we are working towards minimizing our environmental impact and to reduce GHG emissions.

CaixaBank is a member of the Business cluster of climate change, the benchmark business platform in Spain for climate change. This Cluster addressed the keys necessary for business transformation to respond to the decarbonisation of the economy by 2050. CaixaBank actively participates sharing experiences of climate change management.

CaixaBank is also a member of Fundación SERES, a group of enterprises that pursue the improvement of society from different points of view, one of which is the improvement of the environmental conditions. Their position on climate change is that it is important that enterprises act to tackle climate change and its position on climate change is consistent with ours.

CaixaBank is also adhered to the Spanish Group of Green growth, that aims at developing a road map for private business to actively participate and manage the opportunities derived from a green growth framework. CaixaBank actively participates in the decisions taken, sharing its insight on climate change risk and opportunity management in climate change and energy efficiency.

CaixaBank is adhered to RE100, which has validated CaixaBank's policy of 100% renewable electricity hiring.

Since 2012, CaixaBank holds the presidency of the Spanish Global Compact Network and supports the Global Compact in spreading its ten principles, based on human and labour rights, the environment and the fight against corruption.

In addition, CaixaBank holds IESE's Business School (University of Navarra, Spain) Chair of Corporate Social Responsibility, which is committed to fostering, promoting and spreading new knowledge about corporate social responsibility (CSR). CaixaBank is an affiliated member of The World Tourism Organization (UNWTO), the United Nations body that promotes responsible, sustainable and accessible tourism for all.

CaixaBank is a member of Barcelona Centre Financer Europe for Sustainability, which together with the Financial Center for Sustainability in Spain seek to ensure that sufficient private capital is allocated to sustainable investments and in 2019 adhered to the United Nations network of European financial centres for sustainability.

Moreover, CaixaBank actively engages in initiatives like CDP in order to strengthen its commitment to CC management and innovation. In addition, CaixaBank participates in DJSI, MSCI, FTS4Good or ESG, scoring among the top companies in every Index.

"La Caixa" Foundation is a non-profit organization, which receives all its funding from CaixaBank and annually invests in research and excellence training, including environment and CC, and scientific programs. Part of the budget is used to finance the activities of the ClimaDat project, conducted by the Catalan Institute of Climate Sciences (IC3) research center. Within the ClimaDat project, a network of climate observation and research stations located in critical or particularly sensitive natural systems due to their emplacement, physiographic characteristics or peculiarity of their ecosystems is being established in Spain. The aim is to study regions with a high probability of severe damage due to changes in climate and offering free access of this data to researchers and the interested public in general.

CaixaBank keep regular meetings with these organizations, think tanks and initiatives (Spanish Green Growth Group, Global Compact, CECA, WSBI, NAB, Forética, Seres) to share knowledge about sustainability and further its implementation.

### C12.3f

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**(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?**

To ensure that all direct and indirect activities that influence climate change policy are consistent with the overall Climate Change strategy of CaixaBank (CB), the group decides all the specific actions to get involved with policy-makers, trade associations, research organizations and other kinds of organizations through the Environment Committee. This committee ensures that the different business divisions have a common approach consistent and aligned with the strategy on climate change (CC). In fact, all the initiatives stated above have in common to contribute to the reduction of GHG emissions and to reduce the environmental impact of the activity of CB and its value chain (customers, suppliers, etc.).

For example, as a result of the Environment Committee and its task of analysing and assessing the different initiatives of the group, the strategy of CB on CC aligns correctly with the engagement with the government of Catalonia stated in the previous question (C12.3e) to create the standards and promote the Environmental Guarantee sign. This aligns with the specific actions of the group to achieve energy efficiency and the raising of awareness campaigns. For instance, the promotion and implementation to be awarded with the Environmental Guarantee sign was assessed through this Committee.

CB's climate change strategy is aligned with the funding of research organizations, through funding from "La Caixa Foundation", which has an investment line specializes in funding research organizations that contribute to a low-carbon economy. One of the projects is "Fundación Empresa y Clima: fight against climate change", created to identify and develop business opportunities deriving from the fight against climate change and provide information (guidelines), through projects, of good business practice aimed at mitigating climate change and adapting to it. Another important research project is ClimaDat, which provides information on climate change and assists CB in managing climate risks and developing new products with less environmental impact. Funding this kind of research projects (indirectly, through financing "La Caixa" Foundation) is part of the CC strategy of CB, as a measure for obtaining more information on CC in order to manage the risks derived from CC that CB may face as a corporation.

The climate change strategy also aligns with the creation of services for customers that promote emissions reductions. One example of this is the Green Account that helps financing WWF activities.

As explained in C12.3c, CB participates in different public consultations in order to be connected with the most current discussions that may influence future climate-related policies and regulations.

## C12.4

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**(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

**Publication**

In mainstream reports

**Status**

Complete

**Attach the document**

Consolidated Management Report\_CaixaBank\_2020.pdf

**Page/Section reference**

39-42; 101; 144; 148; 161-162; 218-225; 252-269;

**Content elements**

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

Other metrics

Other, please specify (finance of green projects, environmental requirements for suppliers & others)

**Comment**

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**Publication**

In voluntary communications

**Status**

Complete

**Attach the document**

Environmental\_Declaration\_2020.pdf

**Page/Section reference**

All document

**Content elements**

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

Other metrics

Other, please specify (emission reduction initiatives, finance of green projects & others)

**Comment**

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**Publication**

In voluntary sustainability report

**Status**

Complete

**Attach the document**

CaixaBank Group\_Socioeconomic\_Impact\_2020.pdf

**Page/Section reference**

All document

**Content elements**

Strategy

Emissions figures

Emission targets

Other, please specify (emission reduction initiatives, finance of green projects & others)

**Comment**

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**Publication**

In voluntary communications

**Status**

Complete

**Attach the document**

StatementonClimateChange\_CaixaBank\_2019.pdf

**Page/Section reference**

All document

**Content elements**

Governance

Strategy

**Comment**

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**Publication**

In voluntary communications

**Status**

Complete

**Attach the document**

Environmental\_Risk\_Management\_Policy.pdf

**Page/Section reference**

All document

**Content elements**

Governance

Strategy

Risks & opportunities

**Comment**

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**Publication**

In voluntary communications

**Status**

Complete

**Attach the document**

Environmental\_Management\_Plan\_CaixaBank\_2019\_2021.pdf

**Page/Section reference**

All document

**Content elements**

Strategy

Emission targets

Other metrics

**Comment**

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**Publication**

In voluntary communications

**Status**

Complete

**Attach the document**

Carbon footprint\_CaixaBank\_2020.pdf

**Page/Section reference**

All document

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**Content elements**

Emissions figures  
Other, please specify (emission offsets)

**Comment****Publication**

In voluntary communications

**Status**

Complete

**Attach the document**

VIDACAIXA\_PC30\_Informe de sostenibilidad.pdf

**Page/Section reference**

All Document

**Content elements**

Governance  
Strategy  
Risks & opportunities  
Other metrics

**Comment****C-FS12.5****(C-FS12.5) Are you a signatory of any climate-related collaborative industry frameworks, initiatives and/or commitments?**

	Industry collaboration	Comment
Reporting framework	Equator Principles Principles for Responsible Investment (PRI) Task Force on Climate-related Financial Disclosures (TCFD) UNEP FI Principles for Responsible Banking	Equator Principles (according to version 4 which entered into force on October 1, 2020): Commitment to ESG risk assessment in 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. CaixaBank signed up the Equator Principles in 2007. Principles for Responsible Investment (PRI): The CaixaBank Group Employee Pension Plan, in which employees are automatically included, is associated with the pension fund Pensions Caixa 30 (PC30), which has been a signatory to the UN Principles for Responsible Investment (PRI) since 2008. The PC30 has been awarded several prizes in different fields, including a maximum score in socially responsible investment by PRI (A+ in Strategy and Governance). CaixaBank is committed to complying with the transparency recommendations of the TCFD (2018). UNEP FI Principles for Responsible Banking: CaixaBank has been a signatory since 2019.
Industry initiative	Principles for Responsible Investment (PRI) UNEP FI Principles for Responsible Banking Climate Action 100+ UNEP FI UNEP FI TCFD Pilot Other, please specify (Green Bond Principles and UNEP FI/EBF EU Taxonomy)	CaixaBank has been a member of UNEP FI since 2018, actively participating in: UNEP FI working group to draw up a guide for banking to adapt to the EU taxonomy and the second UNEP FI pilot project to implement the recommendations of the TCFD in the banking sector (TCFD Banking Pilot Phase II), contributing to one of the working group's resulting reports with a case study on transition risk scenario analysis. CB's participation in the Phase 3 is scheduled for 2021. Climate Action 100+: An initiative that drives dialogue with the largest greenhouse gas emitting companies to boost the transition to clean energy and help achieve the goals of the 2015 Paris Agreement (signed up since 2018). CaixaBank has been a signatory of the Green Bond Principles since 2015. Since then, CaixaBank has participated in the placement of green bonds for projects with a positive impact on climate. In the reporting year, CaixaBank issued its first own Green Bond. In November 2019, CB joined the EBF/UNEP FI working group of High Level Recommendations for Banks on the Application of the EU Taxonomy. Within the framework of this working group, in 2020, the challenges of applying Taxonomy to banking products were analysed collectively, and case studies were drawn up. The conclusions and recommendations are included in the report 'Testing the application of the EU Taxonomy to core banking products: High level recommendations'. CB has planned to participate in Phase 2 of the working group in 2021.
Commitment	Collective Commitment to Climate Action Other, please specify (Climate Commitment published by the Spanish Confederation of Savings Banks and the Spanish Banking Association. / Manifesto for a Sustainable Economic Recovery. / Net Zero Banking Alliance / Green Recovery Call to Action)	In December 2019, CaixaBank signed the United Nations Collective Commitment to Climate Action. Under this commitment, which was announced within the framework of the Principles for Responsible Banking, banks undertake to align their portfolios to reflect and finance the low-carbon, climate-resilient economy required to limit global warming to below 2 degrees Celsius. CaixaBank is also a signatory to the Climate Commitment published by the Spanish Confederation of Savings Banks and the Spanish Banking Association. CaixaBank signed the Manifesto for a sustainable economic recovery in 2020. The manifesto, addressed to the Commission for Social and Economic Reconstruction that has been created in the Congress of Deputies, asks for the stimulus policies derived from COVID-19, in addition to being effective from an economic and social perspective, to be aligned with sustainability policies and with the European Green Deal. The initiative has been promoted, among others, by the Spanish Green Growth Group, which CaixaBank is a part of. In the same vein, CaixaBank has signed up to the Green Recovery Call to Action initiative, promoted in the European Parliament, which seeks to align economic recovery plans in Europe with the Paris Agreements and a sustainable future. In April 2021, CaixaBank signed the Net Zero Banking Alliance as a founding member

**C14. Portfolio Impact****C-FS14.1**

**(C-FS14.1) Do you conduct analysis to understand how your portfolio impacts the climate? (Scope 3 portfolio impact)**

	We conduct analysis on our portfolio's impact on the climate	Disclosure metric	Comment
Bank lending (Bank)	Yes	Category 15 "Investment" total absolute emissions	CaixaBank (CB) intends to strengthen the management of its credit portfolio in order to align its indirect impact on climate change with the CB's risk appetite and its commitment to sustainability goals and to the transition to a low-carbon economy. Therefore, since 2018, CB measures its credit exposure to economic activities considered to be linked to high CO2 emissions. To develop additional management metrics, CB is using Portfolio Alignment (PA) tools that will eventually enable analysis of the degree of alignment of the credit portfolio's emissions with established objectives and climate scenarios, and to relate the decrease in emissions with forward-looking projections. The PA models establish a reporting mechanism for CO2 emissions produced by clients and compare results against objectives and scenarios. During the reporting year, CB developed a pilot to quantify Scope 3 GHG emissions for its credit portfolio following the PCAF (Partnership for Carbon Accounting Financials) methodology. Emissions quantification is the starting point to set specific objectives for emission reduction in the credit portfolio, and to develop a consistent PA methodology to measure achievement of these objectives based on IPCC climate scenarios. The pilot is an approach to estimate the emissions from the mortgage portfolio and corporate portfolio for the energy, transport and construction sectors. For the mortgage portfolio, data were obtained on the average energy consumption by type of property (apartment or house) and climatic zone (Mediterranean, Continental or Atlantic), disaggregated by use of water, heat, etc. In addition, energy consumption values by emission intensity at the source were used. For the corporate portfolio, public data on emissions and business figures were obtained from the National Institute of Statistics considering the sectoral distribution of the portfolio (technological factors, mix and energy intensities). Initial results indicate that emissions are around 1.65 million tCO2 for the mortgage portfolio and 3.1 million tCO2 for the corporate portfolio in the sectors analysed. CB plans to extend this exercise through 2021. These calculations will allow CB to set carbon emission reduction targets to fulfil the pledges of the Collective Commitment to Climate Action (signed in December 2019) and the Net Zero Banking Alliance (signed in 2021).
Investing (Asset manager)	<Not Applicable >	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable >	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable >	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Yes	Alternative carbon footprinting and/or exposure metrics (as defined by TCFD)	Caixabank carried out an environmental impact analysis, including avoided carbon emissions, which it has achieved with the issuance of its first four green bonds (1 in the reporting year and 3 in 2021). The 3,582 million euros raised have been used to finance projects that promote two of the UN Sustainable Development Goals (SDGs), Goal 7: affordable and clean energy, and Goal 9: Industry, Innovation and Infrastructure. Regarding SDG 7, CaixaBank's green bonds have financed 57 renewable energy projects with a total installed capacity of 13.5 GW. With respect to SDG 9, the funding has been directed to the acquisition, construction or renovation of 24 green buildings for offices or commercial activities. These buildings have an energy consumption 58% less than the average, which translates into annual reduction in carbon emissions. One of the performance indicators of the Green Bonds is ton of CO2e avoided or reduced through renewable energy (solar and wind farms) and energy efficiency buildings.

**C-FS14.1a**

**(C-FS14.1a) What are your organization's Scope 3 portfolio emissions? (Category 15 "Investments" total emissions)**

**Category 15 (Investments)**

**Evaluation status**

Relevant, calculated

**Scope 3 portfolio emissions (metric tons CO2e)**

4750000

**Portfolio coverage**

More than 30% but less than or equal to 40%

**Percentage calculated using data obtained from client/investees**

0

**Emissions calculation methodology**

CB's approach to estimate the financed carbon emissions of its mortgage portfolio and corporate portfolio in the energy, transport and construction sectors is based on the Platform Carbon Accounting Financials (PCAF). The process consists of estimating scope 1 and 2 emissions of the counterpart based on the exposure financed, and assign them to the scope 3 of CB, based on amounts financed. The first step of the model is the input of public data. The quality of the data and the estimation process vary according to the level of precision needed, which requires more precision in the variables in sectors where there is a significant amount of portfolio exposure and where there is great vulnerability with respect to sensitivity to climate impacts. For the mortgage portfolio, data were obtained on the average energy consumption by type of property (apartment or house) and climatic zone (Mediterranean, Continental or Atlantic), disaggregated by use of water, heat, etc. In addition, energy consumption values by emission intensity at the source were used. For the corporate portfolio, public data on emissions and business figures were obtained from the National Institute of Statistics considering the sectoral distribution of the portfolio (technological factors, mix and energy intensities). To estimate the current emission in the corporate portfolio for the analyzed sectors (energy, construction, transport), a methodology based on PCAF was used : technological factors for sectors of great importance due to high exposure in and/or high emissions (Oil & Gas, Energy Sector, etc.), and profit sharing for sectors of medium importance where a certain level of detail is necessary and there is data available. The combined estimation was calculated using a hierarchical top-down model, refining emission estimates where necessary. For the final calculation, there are high-level details and different types of estimates in subsectors that can generate inconsistencies and, therefore, the remaining amount was evenly distributed across sectors and consolidate the rest. Finally, a distribution factor was created. In the case of the mortgage portfolio, when there is a lack of critical data, it is possible to estimate emissions with information on average energy consumption (data with energy source or other breakdown values) by type of property and climate zone. The average energy consumption was separated into values by 4 groups: heating, water, food and electricity. The first three are disaggregated by energy source (for example, the amount of GW by heating derived from the consumption of carbon, oil, solar... etc.) to collect the expenditure by energy source and multiply it by intensity, obtaining the total emissions.

**Please explain**

The pilot to quantify Scope 3 GHG emissions for the credit portfolio was a first approach to calculating financed emissions in part of the lending portfolio (mortgage and corporate portfolio for the energy, construction and transport sectors). These sectors were chosen for the pilot project because they are perceived as the most exposed to climate risk in CB's portfolio, because there are publicly compiled data, and because they represent a significant portion of the bank's portfolio. The results of this pilot will help CaixaBank in the process of portfolio alignment used to analyze the degree of alignment of the credit portfolio's emissions to CaixaBank climate related objectives. CaixaBank plans to extend this exercise to other sector of the lending portfolio through 2021. In addition, CaixaBank intends to include in the portfolio impact analysis the study of customer's internal data through an engagement process, which together with public data, will strengthen the calculation of carbon emissions of this category of the bank's scope 3.

**C-FS14.1b**

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**(C-FS14.1b) What is your organization's Scope 3 portfolio impact? (Category 15 "Investments" alternative carbon footprinting and/or exposure metrics)**

**Metric type**

Other, please specify (impact of green bonds)

**Metric unit**

Other, please specify (absolute emissions)

**Scope 3 portfolio metric**

1500000

**Portfolio coverage**

More than 90% but less than or equal to 100%

**Percentage calculated using data obtained from clients/investees**

100

**Calculation methodology**

Caixabank carried out an environmental impact analysis, including avoided carbon emissions, that it has achieved with the issuance of its first four green bonds (1 in the reporting year and 3 in 2021). The 3,582 million euros raised have been used to finance projects that promote two of the UN Sustainable Development Goals (SDGs), Goal 7: affordable and clean energy, and Goal 9: Industry, Innovation and Infrastructure. Regarding SDG 7, CaixaBank's green bonds have financed 57 renewable energy projects with a total installed capacity of 13.5 GW. With respect to SDG 9, the funding has been directed to the acquisition, construction or renovation of 24 green buildings for offices or commercial activities. These buildings have an energy consumption 58% less than the average, which translates into annual reduction in carbon emissions. One of the performance indicators of the Green Bonds is ton of CO<sub>2</sub>e avoided or reduced through renewable energy (solar and wind farms) and energy efficiency buildings. To calculate avoided or reduced carbon emissions, CB proceeded as follows. Renewable Energy Projects: - Clean energy provided: electric power generation is based on the latest available Production Report (projects in production) or estimates are based on the due diligence report of the project (projects under construction), - Avoided CO<sub>2</sub>: multiplication of the renewable electricity injected into the local power grid by the CO<sub>2</sub> emission factor of the respective national energy mix. Green Buildings: - Energy savings: calculations are based on the difference between the energy demand of the reference building and the actual energy use of the financed asset. Basis for calculation: BREEAM / LEED report and/or official Energy Performance Certificate / Label ("EPC"), - Average CO<sub>2</sub> emissions: CO<sub>2</sub> emissions are based on the official Energy Performance Certificate / Label, - CO<sub>2</sub> emissions / year avoided: Calculations are based on the difference between the CO<sub>2</sub> emissions of the reference building and the actual CO<sub>2</sub> emissions of the financed asset. Basis for calculation: BREEAM / LEED report and/or official Energy Performance Certificate / Label.

**Please explain**

With respect to Portfolio Coverage, the analysis of the environmental impact, including avoided or reduced emissions, considering 100% of the Green Bonds issued by CaixaBank (1 during the reporting year and 3 in 2021).

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**Metric type**

Weighted average carbon intensity

**Metric unit**

Percentage portfolio value

**Scope 3 portfolio metric**

2

**Portfolio coverage**

More than 90% but less than or equal to 100%

**Percentage calculated using data obtained from clients/investees**

0

**Calculation methodology**

For better comparability, the main indicator is based on the definition suggested by the Task Force on Climate-related Financial Disclosures (TCFD), and includes exposure to activities linked to the energy and utilities industries, excluding renewables (carbon related assets, as defined in Implementing the Recommendations of the TCFD). In the reporting year, such activities accounted for around 2% of the total financial instruments portfolio (Data on CaixaBank Group's carbon-intensive equity, fixed income and credit exposure. Some exposures may contain a mix of power generation that includes renewable energies). This metric includes all CaixaBank Group level investment in loan portfolio, fixed income and equity (CaixaBank, VidaCaixa and BPI - Portuguese Investment Bank, owned by CaixaBank, also included in this metric). Construction: - Sectors (NACE - National Classification of Economic Activities) according to TCFD (except extension of perimeter by regulatory sources). - Correction of NACE codes through analysis and / or GICS (Global Industry Classification Standard) sectorization. This risk metric is complemented by an additional carbon-intensity metric (non-public) in order to monitor the carbon intensity of our aggregated exposure in accordance with our risk appetite. The metric was approved by CaixaBank's Global Risk Committee and has already been implemented. As initial reference the classification used by the Bank of Spain in an article in the Financial Stability Magazine has been taken (it identifies a long and high-level list with the macro-sectors that would generate more CO<sub>2</sub> emissions and those that may be more affected for possible technological innovations to increase the use of renewable energy, as well as for changes in the preferences of economic agents). This classification by NACE codes is imprecise (e.g. all "agriculture" activity would be intensive), for which reason it has been resorted to: -Extend this analysis to more specific sub NACE codes (e.g. only rice cultivation), - Market tools (MSCI) and other verifiable sources that provide information at the sector / entity level. This methodology will evolve based on: (i) taxonomies defined by regulators; (ii) greater public transparency of companies in their CO<sub>2</sub> emissions or (iii) collection of information in operations with our clients.

**Please explain**

This metric was chosen for better comparability and as suggested by the TCFD. The metric includes all CaixaBank Group level investment in loan portfolio, fixed income and equity (CaixaBank, VidaCaixa and BPI - Portuguese Investment Bank, owned by CaixaBank, also included in this metric). The lending portfolio is managed with the intention of aligning its indirect impact on climate change with the Bank's risk appetite and its commitment to sustainability goals. Since 2018, therefore, the Group has measured its lending exposure to economic activities considered to be linked to high CO<sub>2</sub> emissions. Determining our credit exposure to CO<sub>2</sub> emission intense businesses helps us identify the measures to take in order to manage this exposure. For example, On the Business side, CaixaBank already has specialist staff in some of the business segments which are most sensitive from the viewpoint of climate and environmental risk, including the real estate sector, infrastructure and energy projects and agriculture, with a view to facilitating customer engagement in the transition to a low-carbon economy. As part of the scenario analysis we have carried out, workshops have been held with customers of the Energy sector to get their view around transition risk and their decarbonization strategies. This risk metric is complemented by an additional carbon-intensity metric (non-public) in order to monitor the carbon intensity of our aggregated exposure in accordance with our risk appetite. The metric was approved by CaixaBank's Global Risk Committee and has already been implemented (see previous column for more details). The methodology will evolve based on: (i) taxonomies defined by regulators; (ii) greater public transparency of companies in their CO<sub>2</sub> emissions or (iii) collection of information in operations with our clients.

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**C-FS14.2**

**(C-FS14.2) Are you able to provide a breakdown of your organization's Scope 3 portfolio impact?**

	Scope 3 breakdown	Comment
Row 1	Yes, by asset class	The pilot exercise carried out to analyze the Scope 3 Portfolio Impact of CaixaBank's credit portfolio prioritized two sectors considered highly exposed to climate risk, which have publicly compiled data and represent a significant portion of the bank's portfolio. These sectors are: mortgages and corporate.

**C-FS14.2a**

**(C-FS14.2a) Break down your organization's Scope 3 portfolio impact by asset class.**

Asset class	Metric type	Metric unit	Scope 3 portfolio emissions or alternative metric	Please explain
Mortgages	Other, please specify (impact of green bonds)	Metric tons CO2e	1650000	CB's approach to estimate the financed carbon emissions of its mortgage portfolio is based on Platform Carbon Accounting Financials (PCAF). The process consists of estimating scope 1 and 2 emissions of the counterpart based on the exposure financed, and assign them to the scope 3 of CB, based on amounts financed. The first step of the model is the input of public data. The quality of the data and the estimation process vary according to the level of precision needed. In the case of the mortgage sector, the accuracy achieved is considered high. However, this first phase of the pilot is only an estimate. Data were obtained on the average energy consumption by type of property (apartment or house) and climatic zone (Mediterranean, Continental or Atlantic), disaggregated by use of water, heat, etc. In addition, energy consumption values by emission intensity at the source were used. To estimate the current emission, a combination of processes based on PCAF was used. The combined estimation was calculated using a hierarchical top-down model, refining emission estimates where necessary. For the final calculation, there are high-level details and different types of estimates that can generate inconsistencies and, therefore, the remaining amount was evenly distribute across the different groups divide by characteristics and consolidate the rest. Finally, a distribution factor was created. When there is a lack of critical data, it is possible to estimate emissions with information on average energy consumption (data with energy source or other breakdown values) by type of property and climate zone. The average energy consumption was separated into values by 4 groups: heating, water, food and electricity. The first three are disaggregated by energy source (for example, the amount of GW by heating derived from the consumption of carbon, oil, solar... etc.) to collect the expenditure by energy source and multiply it by intensity, obtaining the total emissions.
Corporate/SME loans	Other, please specify (impact of green bonds)	Metric tons CO2e	3100000	CB's approach to estimate the financed carbon emissions of the energy, transport and construction sectors part of the corporate portfolio is based on the Platform Carbon Accounting Financials (PCAF). The process consists of estimating scope 1 and 2 emissions of the counterpart based on the exposure financed, and assign them to the scope 3 of CB, based on amounts financed. The first step of the model is the input of public data. The quality of the data and the estimation process vary according to the level of precision needed, which requires more precision in the variables sectors where there is a significant amount of portfolio exposure and where there is great vulnerability with respect to sensitivity to climate impacts. For the corporate portfolio, public data on emissions and business figures were obtained from the National Institute of Statistics considering the sectoral distribution of the portfolio (technological factors, mix and energy intensities). To estimate current emissions in the corporate portfolio for the sectors analyzed, a methodology based on PCAF was used: technological factors for sectors of great importance due to high exposure in and/or high emissions (Oil & Gas, Energy Sector, etc.), and profit sharing for sectors of medium importance where a certain level of detail is necessary and there is data available. The combined estimation was calculated using a hierarchical top-down model, refining emission estimates where necessary. For the final calculation, there are high-level details and different types of estimates in subsectors that can generate inconsistencies and, therefore, the remaining amount was evenly distribute across the sectors and consolidate the rest. Finally, a distribution factor was created.

**C-FS14.3**

**(C-FS14.3) Are you taking actions to align your portfolio to a well below 2-degree world?**

	We are taking actions to align our portfolio to a well below 2-degree world	Please explain
Bank lending (Bank)	Yes	CaixaBank (CB) recognizes the critical role that financial institutions play in helping to mobilize capital for the transition to a low-carbon economy and are taking actions to align its portfolio to a well below 2-degree world. These include: -During the reporting year, CB developed a pilot to quantify Scope 3 GHG emissions for its credit portfolio. The pilot aims to evaluate the CB's transition risk based on financed emissions and specific objectives to mitigate emissions, and to develop a consistent Portfolio Alignment methodology to measure the achievement of objectives based on IPCC scenarios, including 2-degree scenario. -In 2019, CB signed the UN Collective Commitment to Climate Action (CCCA). CB committed to align its portfolio to reflect and fund the low-carbon, climate-resilient economy required to limit global warming to less than 2°C. CB is working on stablishing sectoral and scenario-based targets to align the bank's portfolio with the targets of the Paris Agreement (PA). Further, in 2021, CB has joined the Net Zero Banking Alliance (NZBA) as a founding signatory, committing to achieve net zero by 2050. -Since 2018 CB measure the exposure of its lending portfolio to economic activities considered to be linked to high CO2 emissions. -Quantification of CB total environmentally sustainable portfolio (9,542 M EUR in the reporting year), which includes the financing of energy efficient buildings, renewable Energy, Green Bonds, among others. -Adherence to the UNEP FI to address the challenges of sustainable development and public awareness and to accelerate the transition to a more sustainable economy. A Sustainable Finance Committee was created. -In order to advance in a global standard of Taxonomy, CB joined the working group coordinated by UNEP FI in 2019, to define guidelines for the application of the EU Taxonomy of environmentally sustainable activities to banking products. -CB have finished a pilot of scenario analysis to assess climate risk in its portfolio. The results provided insights into the establishment of objectives to align the bank's portfolio with the PA, the CCCA and the recently signed NZBA. -CB developed an ERM Policy that regulates the financing of certain companies and projects representing a potential ESG risk, including climate change risks, establishing the requirements under which CB will not assume credit risk.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	CaixaBank decided to follow the CDP criteria, namely: "At a minimum, select all industry activities for which more than 20% of your organization's revenue in the reporting year is associated". Therefore, Bank Lending, which is the only one that represent more than 20% of its revenues, contains the main financial products and services offered by CaixaBank Group and is already included in the previous organizational activity. Thus, this category is not applicable.

C-FS14.3a

**(C-FS14.3a) Do you assess if your clients/investees' business strategies are aligned to a well below 2-degree world?**

	We assess alignment	Please explain
Bank lending (Bank)	Yes, for some	CB are currently assessing whether some of its clients' business strategies are aligned to a well below 2-degree world as part of the scenario analysis process in the framework of the UNEP FI pilot. In this analysis, the risk of climate transition in the utilities and oil & gas sectors has been assessed and 9 of CB's main clients in these sectors have been analyzed individually through an in-depth appraisal of their transition strategies and a peer comparison. These 9 clients were engaged and meetings were held to obtain their vision on their decarbonization transition strategy in the short, mid and long term. They were also specifically asked for information on CC and other actions to mitigate the potential impact of transition risks on their activities. CB plans to extend this exercise to other relevant sectors. In 2019 CB developed an ERM Policy that regulates the financing of certain companies and projects representing a potential ESG risk. The sectors that have been considered are: Mining, Energy, Infrastructure and Agriculture, fishing, livestock and forestry. A questionnaire to assess and classify customers and operations forms part of the environmental risk analysis built into the credit process for business and corporate customers. This policy governs the admission and acceptance of new lending arrangements and guarantees and the purchase of fixed-income securities, equity instruments and other similar securities in companies or groups whose consolidated turnover exceeds 50 million € and where such arrangements involve: Project financing and Long-term transactions (more than two years) where the amount exceeds 5 million €. When accepting new customers, CB will rely on available public information and on the information provided by the customer to ensure that its business activities do not violate the principles set out in this policy and to verify its performance, commitment and progress in relation to environmental matters, including their alignment to a well below 2-degree world. Regarding the pilot to quantify Scope 3 emissions for its credit portfolio, CB plans to extend to other sector of the lending portfolio through 2021 and intends to include in the portfolio impact analysis the study of customer's internal data through an engagement process, which together with public data, will strengthen the calculation of this bank's scope 3 category.
Investing (Asset manager)	<Not Applicable >	<Not Applicable>
Investing (Asset owner)	<Not Applicable >	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable >	<Not Applicable>
Other products and services, please specify	<Not Applicable >	<Not Applicable>

C-FS14.3b

**(C-FS14.3b) Do you encourage your clients/investees to set a science-based target?**

	We encourage clients/investees to set a science-based target	Please explain
Bank lending (Bank)	No, but we plan to do so in the next two years	Measures are currently being implemented for the analysis of the loan portfolio with a view to setting targets for 2022 to align the portfolio with the Paris Agreement, in compliance with the Commitment to Climate Action signed by CaixaBank in December 2019. Once analyzed, reduction objectives and strategies will be established to achieve them. Depending on the results of the analysis, CaixaBank could consider the possibility of promoting SBTi objectives among its customers.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	<Not Applicable>	<Not Applicable>

C15. Signoff

C-FI

**(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Director of General Services	Director on board

Submit your response

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In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors Customers	Public

Please confirm below

I have read and accept the applicable Terms