

Acknowledgement for commitment for sustainable financing

CaixaBank acknowledged for “Outstanding Leadership in Social Bonds in Western Europe 2021” by Global Finance magazine

- **The newly created “Sustainable Finance Awards” highlight leading entities in sustainable financing initiatives worldwide.**
- **CaixaBank was Spain's first bank to issue a social bond in support of the UN Sustainable Development Goals (SDGs). Since 2019, it has issued three social bonds worth a total of 3 billion euros.**
- **CaixaBank is also the bank with the highest volume of ESG bonds issued on the euro credit market. The bank has also participated in ESG bond issuances in Spain and Portugal totalling 14.6 billion euros in the first half of the year, making it the region's leading bank.**

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CaixaBank has received the award for “Outstanding Leadership in Social Bonds Western Europe” by Global Finance magazine in its “Sustainable Finance Awards 2021.” These newly created awards highlight global and regional leaders in sustainable financing initiatives designed to mitigate the negative impacts of climate change and help build a more sustainable future for humanity.

The adjudicators for the awards, comprising the editors of the magazine and supported by an independent report, chose the winners who presented best practices in sustainable financing according to various criteria such as governance policies, objectives set, and initiatives implemented in social and environmental financing between May 2020 and April 2021.

According to the magazine’s editorial director, Joseph Giarraputo, “scientists have warned with increasing urgency that we must face the realities of climate change with innovation and adaptability. All such efforts require funding, and the financial and corporate communities are stepping up to provide the means. Our awards will honour those who stand out”.

Leadership and excellence in social bonds

CaixaBank was a trailblazer in the issue of social bonds in Spain with its inaugural social bond issued in September 2019, the first by a bank in the country in support of the United Nations Sustainable Development Goals. On that occasion, the bank raised 1 billion euros over 5 years in the form of non-preferential senior debt, with the aim of facilitating the financing of activities that contribute to economic and social development, combating poverty and fostering the creation of decent jobs in Spain's disadvantaged areas (SDGs 1 and 8). Thus, this first bond, like the following bonds issued by the bank, included loans granted by MicroBank to individuals or families living in Spain with a view to financing their daily needs, such as health expenses, education or repairs for homes and vehicles. This funding is assigned to individuals or families whose annual income is below a threshold which is updated annually based on the Public Income Indicator (IPREM), and which currently stands at 19,300 euros per year.”

The bond won the “Bank-Issued Social Bond of the Year 2020” award by Environmental Finance magazine.

In its commitment to transparency, CaixaBank was also a trailblazer in issuing a report on the impact of the bond on the economy. A year following the issuance of its first social bond, CaixaBank published a report drafted in collaboration with Deloitte and audited by PwC, which concluded that the bond had contributed to creating 8,207 direct, indirect and induced jobs; starting up 1,046 new companies; and helping 160,945 families with specific needs, self-employed workers and small businesses. This contribution is the result of granting loans to self-employed workers, micro-businesses and SMEs and has a global impact on the Spanish GDP estimated at 1.48 billion euros.

The report has received an excellent response from the SRI (Socially Responsible Investment) investor base, which recognises that CaixaBank had by far exceeded the recommendations set by the ICMA (International Capital Market Association) for this type of impact report. The surveyed investors underlined the report's high level of detail; the transparency in the calculation methodology, highlighting the innovative exercise of basing part of the analysis on surveys presented to customers; and CaixaBank's effort in defining not only the direct impact on the GDP and employment, but also the indirect and induced impact.

In 2020, CaixaBank took a step further with its COVID-19 bond, its second social bond. On that occasion, the bank issued 1 billion euros over six years, with the option of amortising the five-year bond in the form of senior preferential debt. The initiative obtained a demand of three billion euros.

The goal of the issuance was to curb the effects of COVID-19 by financing SMEs and micro-

enterprises located in Spain's most disadvantaged regions. These are areas that fall within the 30th percentile of GDP per capita, or below 19,665 euros, or which have unemployment rates above 16.69%, fostering SDG 8.

In accordance with the banks that participated in the transaction, 72% of the bonds were awarded to recognised market investors such as socially responsible investors (SRI), among which, 56% had the highest recognition in responsible investment (Dark SRI).

Subsequently, in 2021, CaixaBank issued a third social bond for 1 billion euros over 7 years in the form of non-preferential senior debt. Its goal was to finance activities and projects that help to combat poverty, promote education and well-being, and contribute to economic and social development, fostering SDGs 3 and 4. Additionally, in line with previous issuances, the operation included loans granted by MicroBank to people in a situation of vulnerability with difficulty accessing the traditional financial system. The success of the issuance was reflected in its demand, which exceeded 2.2 billion euros, with 61% of bonds awarded to socially responsible investors.

Leading bank in ESG bond issuance in Spain and Portugal

CaixaBank is currently the leading bank in ESG bond issuance in Spain and Portugal, according to Refinitiv. In the first half of 2021 alone, the bank has participated in ESG bond issuances worth 14.6 billion euros in the region, doubling the total volume recorded throughout 2020. Specifically, in 2021, it participated as bookrunner in the issuance of 13 bonds rated as green, social or sustainable. Most notable are the green or sustainable bonds of Red Eléctrica, Telefónica, Iberdrola and Enel, and the sustainable bond issuances of the Basque Autonomous Community, the Community of Madrid and Andalusia.

As regards own bonds, since the approval of its “ESG bond issuance framework in support of the UN SDGs” in 2019, CaixaBank has issued seven ESG bonds: four green bonds and three social bonds worth a total of six billion euros and 500 million pounds, establishing CaixaBank as the bank with the highest volume of ESG bonds issued on the euro credit market.

CaixaBank: committed to sustainability

CaixaBank is one of the financial institutions most committed to sustainability, given that its Socially Responsible Banking Plan covers five significant principles of action that include a direct contribution to the United Nations Sustainable Development Goals. Through its initiatives, the Bank is supporting environmentally friendly initiatives and projects that contribute to preventing and mitigating climate change and to encouraging the transition to a low-carbon economy and social development.

The bank has mobilised more than 21.9 billion euros in sustainable financing in the first half of 2021, with more than 7.3 billion euros formalised in green and ESG funding. CaixaBank has also participated in the issuance of 13 green, sustainable or social bonds, worth a total of 14.6 billion euros.

In the first half of 2021, CaixaBank came in fifth place in Europe in green and sustainable loans in the League Tables Top Tier by volume, according to Refinitiv.