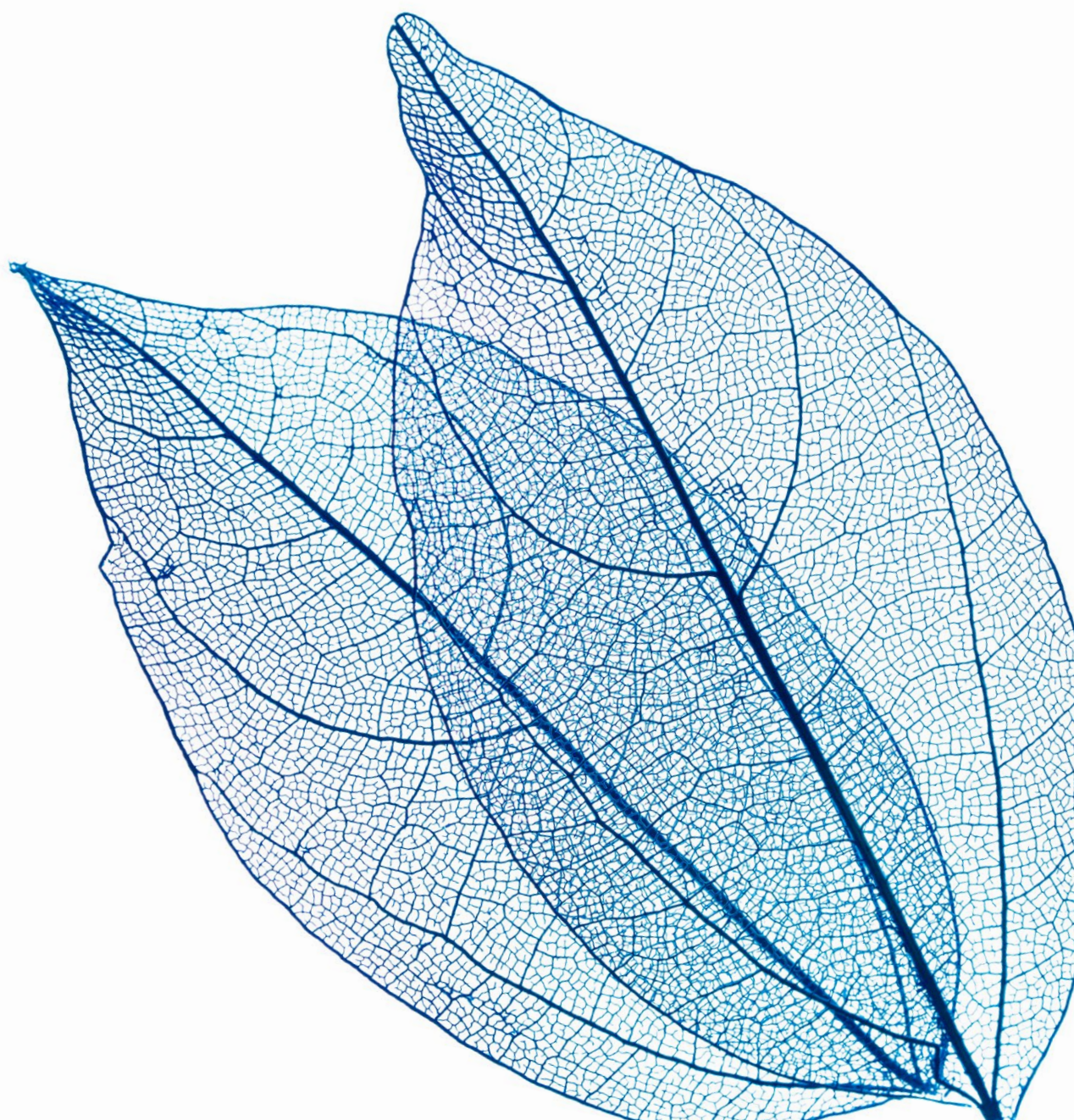


SUSTAINABILITY POLICY

iberCaja 



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1 | INTRODUCTION: STATEMENT OF REASONS

In recent years there has been an unprecedented institutional, social and business mobilisation to respond to the major sustainability challenges: environmental, social and good governance (ESG).

The global adoption in 2015 of the Paris Agreement on Climate Change¹ and the United Nations Sustainable Development Goals aims to move towards a more sustainable economy, which improves the future of our planet and of future generations. To support these goals, the European Union, through the European Green Deal, sets the goal of making Europe the first carbon-neutral continent by 2050 and expects the financial sector to play an active and relevant role in this transition, as established in the [Action Plan for Financing Sustainable Growth](#)².

Ibercaja is aware of the challenge posed by sustainability: “consider environmental impact (including climate and biodiversity), social, human and economic impact in business decisions to achieve long-term sustainable value creation”³.

Since the start, Ibercaja has been an entity with a clear social commitment to the development of its activity, focused on supporting the country, the business fabric and the most vulnerable groups. Along these lines, it continues moving forward to respond to the growing sustainability-related needs.

In the development of its financial activity, Ibercaja firmly believes that its plans and actions should help ensure well-balanced economic growth, social cohesion and environmental protection, pursuant to its corporate purpose. For this reason, Ibercaja is firmly committed to the Sustainable Development Goals of the 2030 Agenda, and is a signatory of the United Nations Principles for Responsible Banking to advance in the configuration of a sustainable banking system.

THE CHALLENGE OF IBERCAJA

The challenge that Ibercaja has taken on is to ensure that the business objectives promote sustainable development, preserving natural resources and promoting a more just and inclusive society. To do this, it is progressing with the integration of ESG (environmental, social and good governance) aspects in the strategy and in decision-making.

¹ UNITED NATIONS (2015), PARIS AGREEMENT.

² EUROPEAN COMMISSION (2018), ACTION PLAN: FUNDING SUSTAINABLE DEVELOPMENT.

³ EUROPEAN COMMISSION - QUERY ON SUSTAINABLE BUSINESS GOVERNANCE, OCT 2020.

IBERCAJA'S SUSTAINABILITY STRATEGY IS BASED ON FIVE CORNERSTONES:



1. **ESG RISKS:** identification and management for its gradual integration into the Entity's global risk analysis.



2. **SUSTAINABLE BUSINESS:** analysing needs and identifying opportunities for business development that accompanies customers in the transition to a sustainable economy, including climate change.



3. **PEOPLE:** comprehensive development of employees, training them with the necessary training for the new context and promoting work, personal and family balance.



4. **TRANSPARENCY** for all its stakeholders, promoting communication of both financial and non-financial aspects of the business.



5. **PROTECTION OF THE ENVIRONMENT** and its resources, mitigating climate change, and favouring the development of a more inclusive and egalitarian **society**.

In view of the foregoing, this document contains the Ibercaja Group's Sustainability Policy, as a declaration of its firm desire to contribute to the development of a more sustainable economy and financial activity, aligned with the principles, guidelines and current regulations on the matter.

2 | PURPOSE

The purpose of the Ibercaja Group's Sustainability Policy is:



Demonstrate and formalise [the Ibercaja Group's commitment to sustainable development](#) and value creation through its activity.



Establish the global [action framework](#) for the Group in matters of [sustainability](#), containing the commitments voluntarily assumed by Ibercaja with its stakeholders to promote long-term sustainable, inclusive and environmentally-friendly growth, as set forth throughout the Policy.

3 | SCOPE OF APPLICATION

This cross-cutting policy is applicable to the Ibercaja Group and involves all of its areas and companies, which incorporate the principles defined therein into their daily activities.

It is a reference document for all [Group companies](#), approved by the Board of Directors of the parent company, Ibercaja Banco. The governing bodies of said companies must adopt the appropriate decisions in order to integrate the provisions of this policy.

4

GENERAL PRINCIPLES: PRINCIPLES OF SUSTAINABILITY

Sustainable development is based on certain **principles of action** that cover any type of activity or decision to be addressed within the framework of this policy:



Maximum respect and promotion of **ethics and good governance**.



Promotion of the **Sustainable Development Goals of the 2030 Agenda**, promoting the goals they pursue through its business activity.



Defence of human rights in line with the UN Global Compact.



Promotion of the **personal and professional development** of employees.



Prudent and global management of all **financial and non-financial risks**.



Defence of **transparency**, promoting clear, complete and truthful communication.



Contribution to **social integration**.



Defence of the environment, contributing to the decarbonisation of the economy and promoting sustainable activities, aligned with the objectives of the Paris Agreement and the European Green Pact.

5 | COMMITMENTS TO SUSTAINABILITY

COMMITMENTS WITH STAKEHOLDERS

EMPLOYEES

The people who make up Ibercaja are the basis of its strategy and activity and are key to guaranteeing the sustainability of the business.

THEREFORE, IBERCAJA WANTS TO PROMOTE THE INVOLVEMENT, COMMITMENT AND COMPREHENSIVE DEVELOPMENT OF ITS EMPLOYEES AND IS COMMITTED TO:

- » Ensuring that all employees act under principles and standards of ethical and responsible conduct, complying with the Entity's [Code of Ethics](#).
- » Encouraging the [balance of personal, family and professional life](#), applying measures of flexibility, as a way of balancing the needs of employees and the company.
- » Promoting the [continuous development of their abilities](#) and skills, identifying and responding to current and future training needs and enabling access to knowledge.
- » Promoting the [sustainability culture](#) in Ibercaja employees, raising awareness of social and environmental problems and providing the necessary training so that they integrate it in the development of their functions and their daily activity.
- » Preserving the safety and protection of its employees, actively promoting their [overall health and well-being](#).
- » Promoting [diversity](#) among its professionals, rejecting all forms of discrimination and promoting [equal opportunities](#).
- » Maintaining open and transparent [communication](#), establishing the necessary channels and tools and promoting ascending and descending communication channels that encourage [active participation](#).
- » Fostering [open and transparent dialogue](#) with employee representatives, as the fundamental base of labour relations.
- » Promoting [corporate volunteer work](#) in order to actively contribute to society and reinforce the pride of belonging to the Group.

COMMITMENTS WITH STAKEHOLDERS

CUSTOMERS



Customers are the heart of the Entity's strategy, with service quality and advice being its hallmarks.

IBERCAJA UNDERTAKES TO:

- » Work on **knowing each customer in depth**, to always offer them the **products, services** and information they need, **adapted to their expectations and needs**.
- » Align the business strategy with the **United Nations Principles for Responsible Banking**:
 - » Identifying impacts and needs derived from sustainable development.
 - » Adapting the offer to respond to these new needs, which promote sustainable business models and practices.
 - » Sensitising our customers in the necessary transition towards a decarbonised economy as well as identifying their sustainability preferences.
- » Helping our customers to better manage their finances better, in a simple way, with the best **advice, tools and information**, and promoting **financial education**.
- » Paying special attention to **transparency in the communication and marketing of products**, providing the necessary information for the customer to be able to make informed decisions, avoiding information manipulation and protecting the integrity and honour of clients.
- » Always protecting the **confidentiality** of customer data, maintaining the highest security standards.
- » Establishing efficient **dialogue channels** that allow us to listen to our customers, as a basis for long-term mutual commitment, and offer the **highest quality of service**.
- » Providing maximum diligence to **prevent and avoid the financing of illegal practices**, complying with the Regulations for the Prevention of Money Laundering and Terrorist Financing.



COMMITMENTS WITH STAKEHOLDERS

SHAREHOLDERS AND INVESTORS

For Ibercaja, it is essential to create long-term value and respond to the needs and expectations of shareholders and investors who have placed their trust in the Entity.

THEREFORE, IBERCAJA UNDERTAKES TO:

- » Disseminate **complete, clear and truthful information on both financial and non-financial aspects of the business**, ensuring maximum transparency on the performance of the Ibercaja Group.
- » Guarantee **equal access to information** for shareholders and investors, avoiding asymmetries.
- » Establish adequate **dialogue channels** that allow them to be attended to with agility and quality in a personalised and professional manner.
- » Promote **communication** with its shareholders and investors to publicise and promote the Entity's **sustainability strategy**.
- » Protect the strict **confidentiality** of the data that may be contributed by shareholders and investors.

COMMITMENTS WITH STAKEHOLDERS

SOCIETY



Ibercaja develops a banking model with a high level of social sensitivity, committed to sustainable development in the territories where it is present, taking into account the preservation of the planet. Its objective is to create value for the whole of society.

TO FULFIL THIS OBJECTIVE, IBERCAJA UNDERTAKES TO:

- » Contribute to the **sustainable development of the territory** by supporting the productive fabric and establishing **channels of collaboration and dialogue** with local players.
- » Be sensitive to **social and environmental demands**, through its **financial activity**, with relevant products and services.
- » Promote **financial education**, which favours financial inclusion and accessibility to financial services for those groups that may have more difficulties.
- » To move forwards with **sustainability**:
 - » Responsibly assume commitments promoted by national and international organisations that ensure sustainable development, human rights, good governance, ethical commitments and the fight against corruption and other illegal practices.
 - » Collaborate with organisations, entities and regulators in the development of sustainable actions.
 - » Raise awareness and disseminate good practices to help society in the transition towards a sustainable economy.
- » Promote and support **corporate volunteer initiatives** that have a positive impact on society.
- » Comply with all its tax obligations, making its **tax responsibility** clear.

COMMITMENTS WITH STAKEHOLDERS

SUPPLIERS



Ibercaja aspires to generate stable relationships of trust and mutual benefit with its suppliers, based on ethics, transparency and compliance with the agreed commitments.

TO DO SO, IBERCAJA ASSUMES THE FOLLOWING COMMITMENTS:

- » Guarantee [transparency in hiring](#) and the impartiality and objectivity of the Entity's employees who participate in the selection processes.
- » Oversee economic relationships which, [respecting the interests of both parties](#), make it possible to obtain the maximum level of quality and commitment in the products served and in the services provided.
- » Encourage its suppliers observing sustainable practices and guarantee the application of the principles of the Global Compact, complying with the Ibercaja [Code of Conduct for Suppliers](#), which includes the responsible commitments that they should assume: maximum degree of ethics in their actions, respect for human rights and labour standards, protection of the environment, fight against corruption and confidentiality and security of information.

COMMITMENTS TO THE ENVIRONMENT



Aware of and sensitive to the environmental impact that all business activity generates in its surroundings, Ibercaja acquires the commitment to protect the environment and fight against climate change, taking into account both the environmental impact of its own facilities and that of its financial activity.

A. THROUGH THE BANKING AND FINANCIAL ACTIVITY

Ibercaja responds to the challenge posed by climate change and its associated regulatory requirements, working to integrate environmental and climate aspects across the entire organisation.

To this end, the Entity uses the objectives of the Paris Agreement on Climate Change as a reference, and moves forward in the implementation of the recommendations of the Task Force for Climate Related Financial Disclosures (TCFD)⁴.

Along these lines, Ibercaja undertakes to:

- » Analyse the impact of climate change, detecting needs that the transition to a decarbonised economy may present, in order to respond with business solutions that support environmental sustainability.
- » Analyse climatic and environmental risks, their impact on customers and their financial activity, for their gradual integration in compliance with regulatory requirements.
- » Transparently communicate the advances in environmental sustainability, raising awareness internally and externally to promote a sense of environmental responsibility.
- » Assume and endorse the primary national and international commitments that help to protect the environment and fight against climate change, working on their implementation.

⁴ SEER TCFD (2017), RECOMMENDATIONS OF THE TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES.



COMMITMENTS TO THE
ENVIRONMENT

B. THROUGH INTERNAL ENVIRONMENTAL MANAGEMENT

Following the principles of action that govern the entity in environmental matters, Ibercaja is committed to:

- » Measure and publish its carbon footprint, establishing a reduction plan to achieve **emission neutrality**.
- » Comply with the **applicable legal environmental requirements** and the other **voluntarily assumed** requirements, adopting the necessary measures to do so.
- » Apply the **principle of pollution prevention** to minimise and/or offset for possible negative impacts on the environment.
- » Encourage the **responsible control and consumption of resources, and the proper management of waste**, minimising its generation to the extent possible, favouring the circular economy throughout the value chain.
- » Ensure the integration of **continuous improvement** in the system and in environmental performance by establishing **environmental objectives**.

6 | ACTIVE LISTENING TO AND DIALOGUE WITH STAKEHOLDERS

Ibercaja will maintain various [channels of communication, participation and dialogue](#) available for its stakeholders that favour **two-way and continuous** communication, undertaking to give them the maximum dissemination.

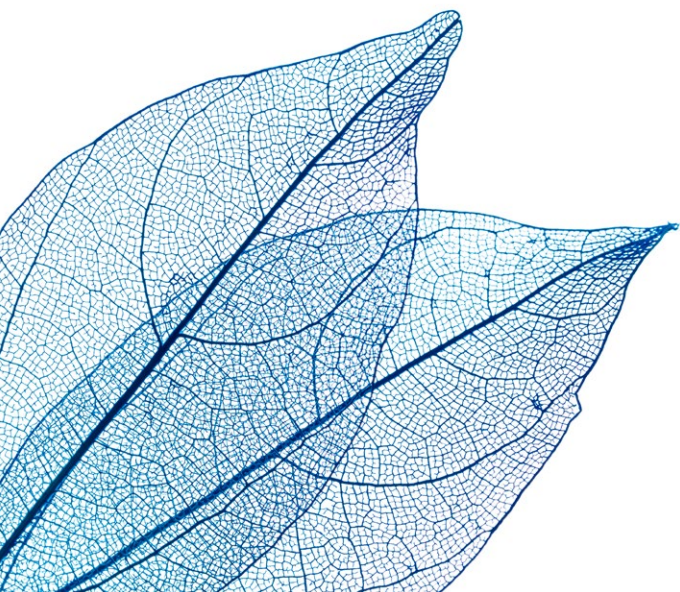
The main communication channels include: periodic opinion surveys, multichannel customer service, active listening on social networks, free phone lines and electronic mailboxes, corporate website, commercial website and social networks. The Entity will have an ethical channel, via email, to report possible infractions of its Code of Ethics.

7 | TRANSPARENCY AND ACCESS TO INFORMATION

Ibercaja will promote knowledge of the Sustainability Policy so that it is shared and applied by all the people who make up Ibercaja, with the aim of [achieving an effective integration of sustainability in all its actions](#). To do so, it will be disseminated through the necessary channels.

The Sustainability Policy will be transferred to the directors of the Ibercaja Group companies and will be available to all stakeholders on the entity's corporate website www.ibercaja.com.

Ibercaja will offer information on its non-financial performance in accordance with international reference standards, verified by independent external auditors, which will be made public on its corporate website, promoting [transparency](#) at all times.



8 | GOVERNANCE OF THE SUSTAINABILITY POLICY

The [Board of Directors](#) is responsible for the approval and subsequent amendments if any, of this Policy, following a report from the Strategy Committee, at the proposal of the Reputation and Sustainability Committee.

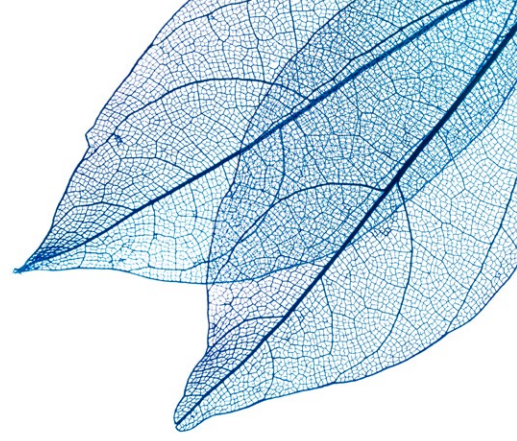
9 | POLICIES AND MANUALS ON DEVELOPMENT PROCEDURES

It is the responsibility of [Senior Management](#) to approve, where appropriate, the policies and procedures manuals that may be necessary or pertinent to the development of the provisions contained in this policy.

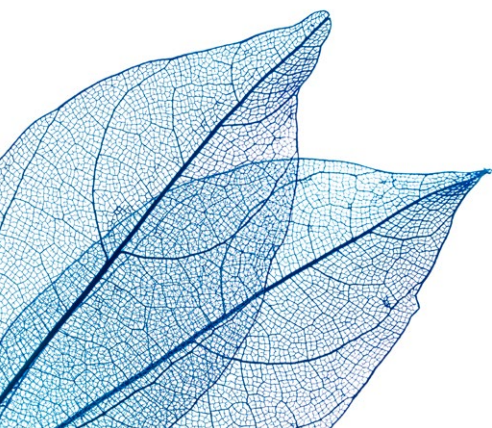
10 | REPLACEMENT OF CSR POLICY

This Sustainability Policy replaces the Corporate Social Responsibility Policy in force since 2016 at Ibercaja, to **reflect the progress of sustainability commitments and their integration** into strategy and decision-making.

Policy approved by the Board of Directors of Ibercaja Banco on 11 December 2020



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