



Transition Plan on sectoral decarbonization targets (NZBA)

Transition Plan

December 2023

EL BANCO
DEL
vamos

Index

(Starting point analysis)



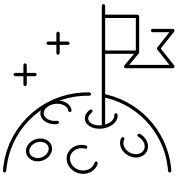
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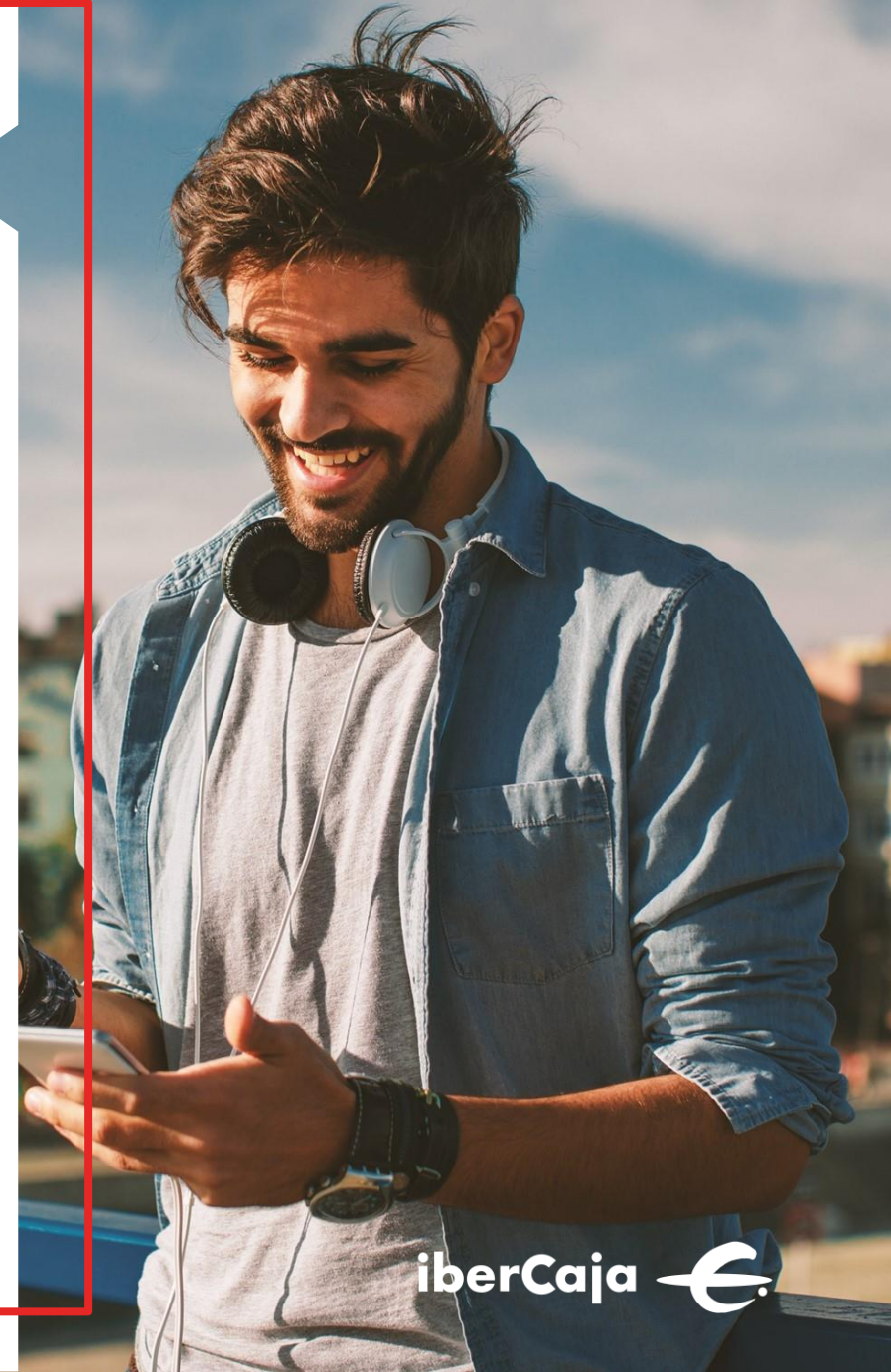
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1. Foundations



1. Foundations

In 2022, Ibercaja defined decarbonization targets for three of the most emissions-intensive sectors in line with the commitment acquired with the NZBA. In this sense, the Entity is taking a further step in its commitment by defining a Transition Plan to achieve these targets

In line with NZBA commitments, Ibercaja **has defined medium-term targets for the decarbonization of its loan portfolio by 2030**, with a view to achieving greenhouse gas neutrality by 2050. These targets are set for three sectors, all of which are relevant in the fight against climate change: **power generation, iron and steel production and residential real estate portfolio**.



1

Net Zero Banking Alliance

COMMITMENT ACQUIRED

Ibercaja **joined the NZBA in April 2021**, thereby becoming a founding member. With this adhesion, the Entity made a commitment, among other aspects, to **set initial decarbonization targets for relevant sectors in October 2022**.

SETTING INITIAL TARGETS

Ibercaja published **decarbonization targets for three business sectors in October 2022**:



Power Generation



Iron and Steel Production



Residential Real Estate

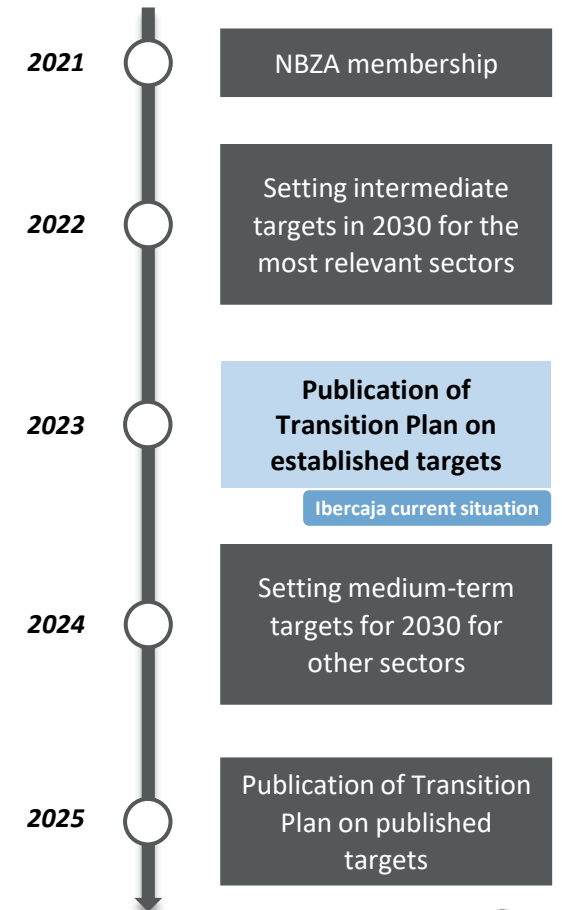
CURRENT SITUATION

Within the framework of the NZBA, **Ibercaja has defined a Transition Plan on medium-term decarbonization targets following the guidelines and recommendations for Financial Institutions published by the Glasgow Financial Alliance for Net Zero (GFANZ)**. This Plan contains a combination of the following strategies:

- 1 Finance or facilitate the development of climate solutions
- 2 Financing companies already aligned with decarbonization
- 3 Financing companies with decarbonization plans
- 4 Phase-out of sectors and/or companies



NZ Calendar for participants



1. Foundations

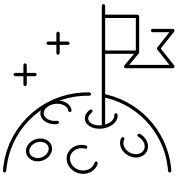
Also, the Entity continues working to achieve the objectives of the Paris Agreement and the milestones set through several clearly defined axes

Ibercaja roadmap to NZ in 20250

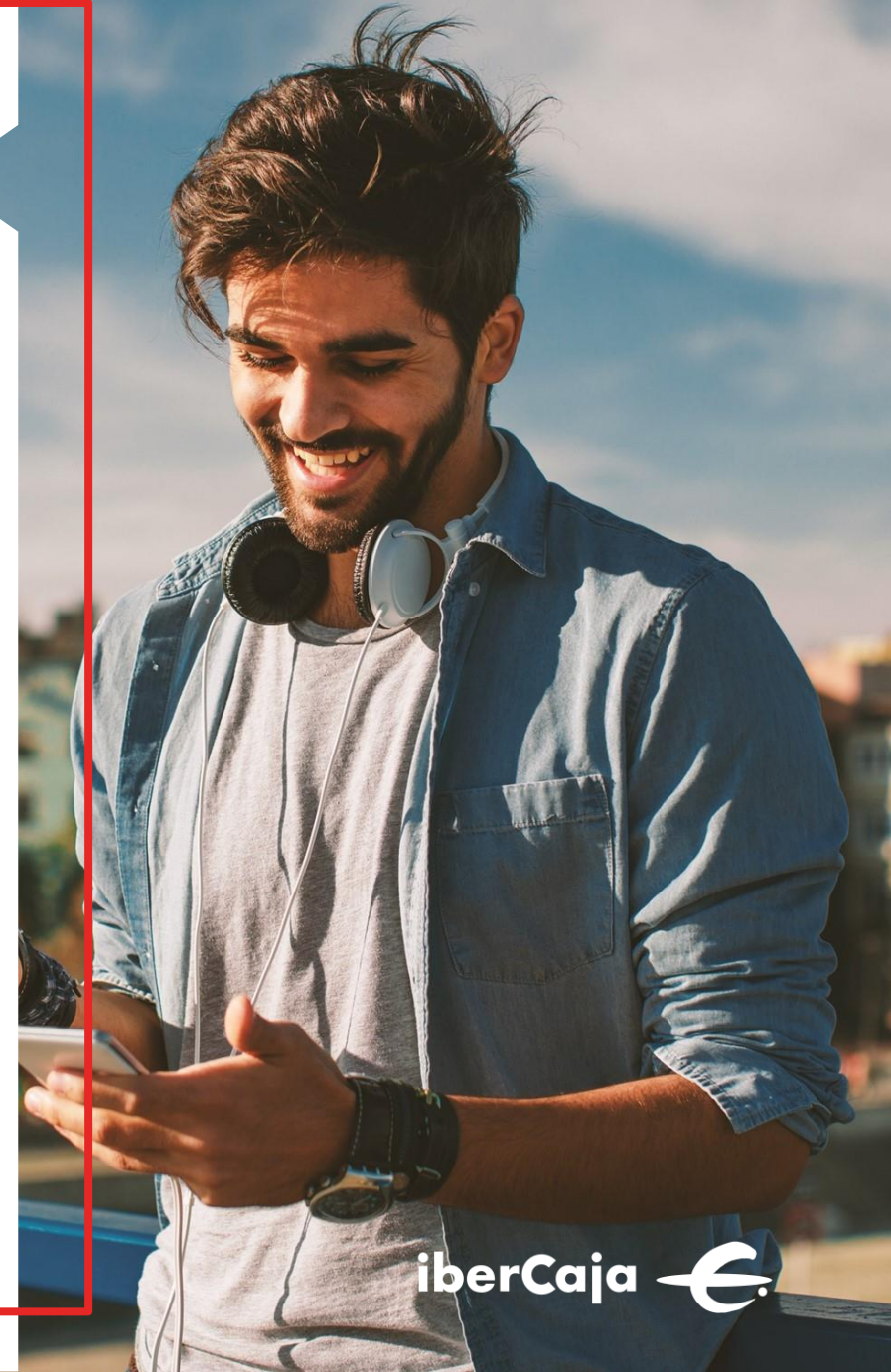


To achieve alignment of our portfolios with the objectives of the Paris Agreement and help limit global warming to 1,5°C, the Entity is moving forward as follows:





2. Strategy



2. Strategy

Ibercaja has a sustainability strategy based on 5 main pillars, focusing on a series of matters that will enable the Entity to comply with the Transition Plan and achieve the decarbonization targets

Ibercaja's sustainability strategy is based on the following pillars



ESG RISK

Identification and management for its gradual **integration into the Entity's global risk analysis**



SUSTAINABLE BUSINESS

Analyze needs and **identify opportunities for business development** that accompanies clients in the transition towards a sustainable economy, including climate change



PEOPLE

Integrated development of employees, providing them with the necessary training for the new context and promoting work-life balance



TRANSPARENCY

For all its stakeholders, **promoting the communication** of both financial and non-financial aspects of the business



ENVIRONMENTAL PROTECTION

And its resources, **mitigating climate change** and contributing to the development of a more inclusive and equitable society

This section focuses on **a series of aspects that are embedded within the sustainability strategy** and are particularly aimed at **compliance with the Entity's Transition Plan**:



Commitment to customers: Knowing their expectations and needs and responding to them, through a strategy that allows Ibercaja to continue growing, improving its profitability and positioning and to be recognized as an organization that provides value and improves the environmental future



Products and services: reinforcing the Entity's commitment to accompanying companies in their process of adaptation and transition to sustainability



Engagement with the industry and the public sector: participating in various **initiatives** and following the main **frameworks and recommendations** established as a reference in the sector, as well as collaborating with **regulators and supervisors**

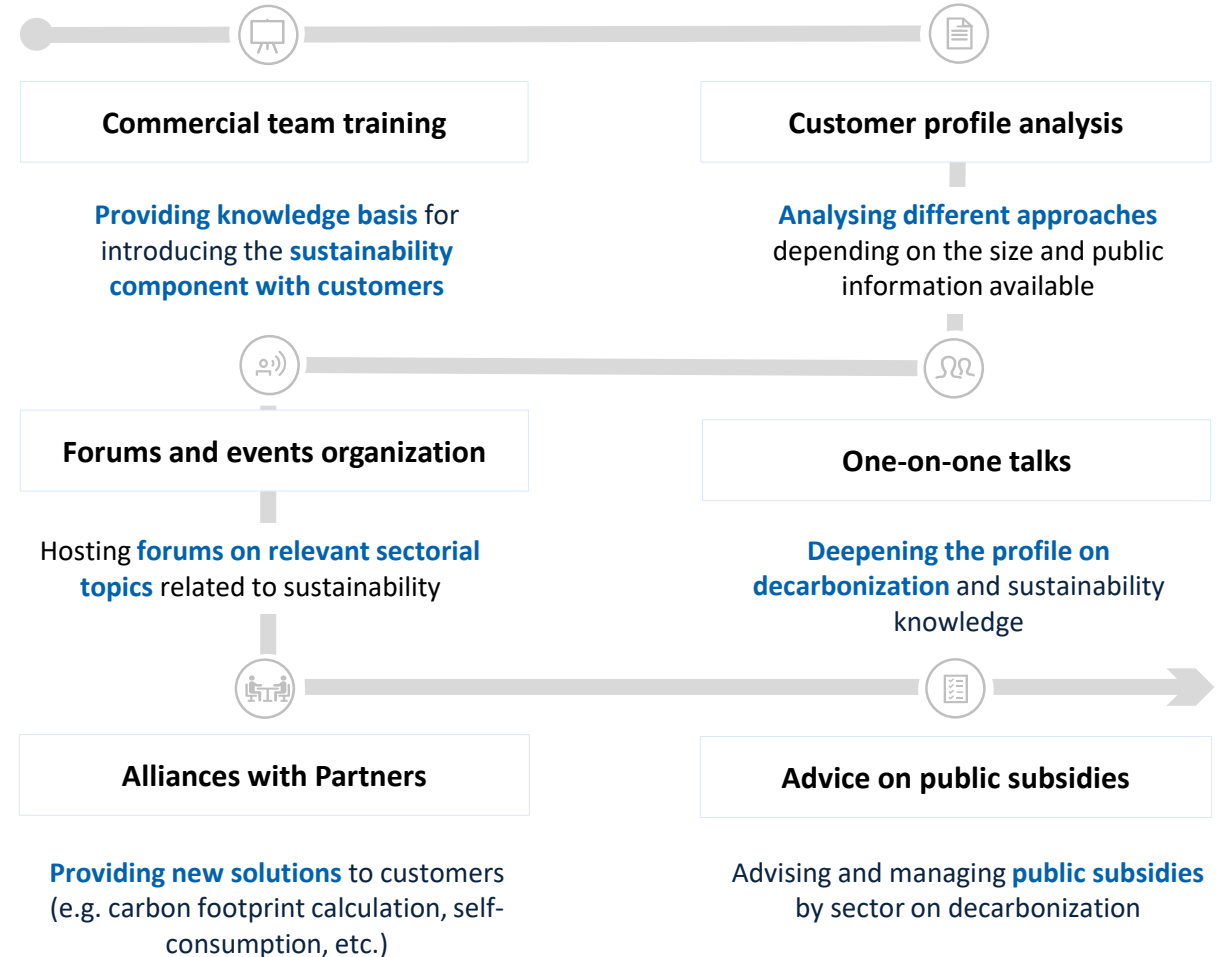
2. Strategy

To this end, the Entity has defined an engagement strategy with customers in the corporate segment, generating a solid bond with them through different actions...

Engagement with customers at the corporate and SME level

Ibercaja considers **engagement with corporates and SMEs to be a key component**. For this reason, it has worked on the definition of an **engagement strategy** aimed at establishing and maintaining a solid relationship based on:

- Providing the **commercial team with the sector-specific knowledge** needed to introduce the sustainability and decarbonization component into discussions
- Analysing customer profiles to **provide personalized advisory services**
- Maintaining **conversations to deepen the profile**, as well as creating **forums and events** on sustainability, decarbonization, and trends
- **Establishing alliances** with partners and offering **advice on public aid** to provide comprehensive solutions



2. Strategy

...and offers a range of sustainable products and services linked to the decarbonization target sectors as well as for other emission-intensive sectors

Commitments to customers and sustainable products and services offered to the corporate segment

1 The Entity is **firmly committed to sustainability**, which is reflected in the environmental focus of its activity, aware of the important role that financial institutions play in sustainable development, **mobilizing the necessary capital flows to support the climate transition**

2 In this sense, **we support our corporate and SME clients** in the energy transformation process by providing them with **sustainable financing products**

3 These products focus on **improving energy efficiency, sustainable mobility and access to Next Generation EU funds**



"Inversión +Sostenible" loan aimed at improving the energy efficiency of companies (replacement of lighting equipment, thermal insulation of roofs, etc.), as well as the acquisition of "Zero Emission" and "Eco" vehicles



Ibercaja NEXT Assistant and NEXT financial solutions: Assistant that provides all the information about the grants implemented by the Next Generation funds (calls, guide and general information) with a team aimed at resolving doubts about financing, guarantees, etc.



NEXT financial solutions: specific lines of financing (Next Generation Assistance Loan, Next Generation Guarantee Line, Next Generation Advance Loan)



Renewable Energy Financing Loan for the production or self-consumption of electricity through renewable energy sources



Photovoltaic Energy Leasing aimed at improving the energy efficiency of companies



ECO and Zero Emission vehicle renting aimed at reducing pollution in cities and supporting regulations

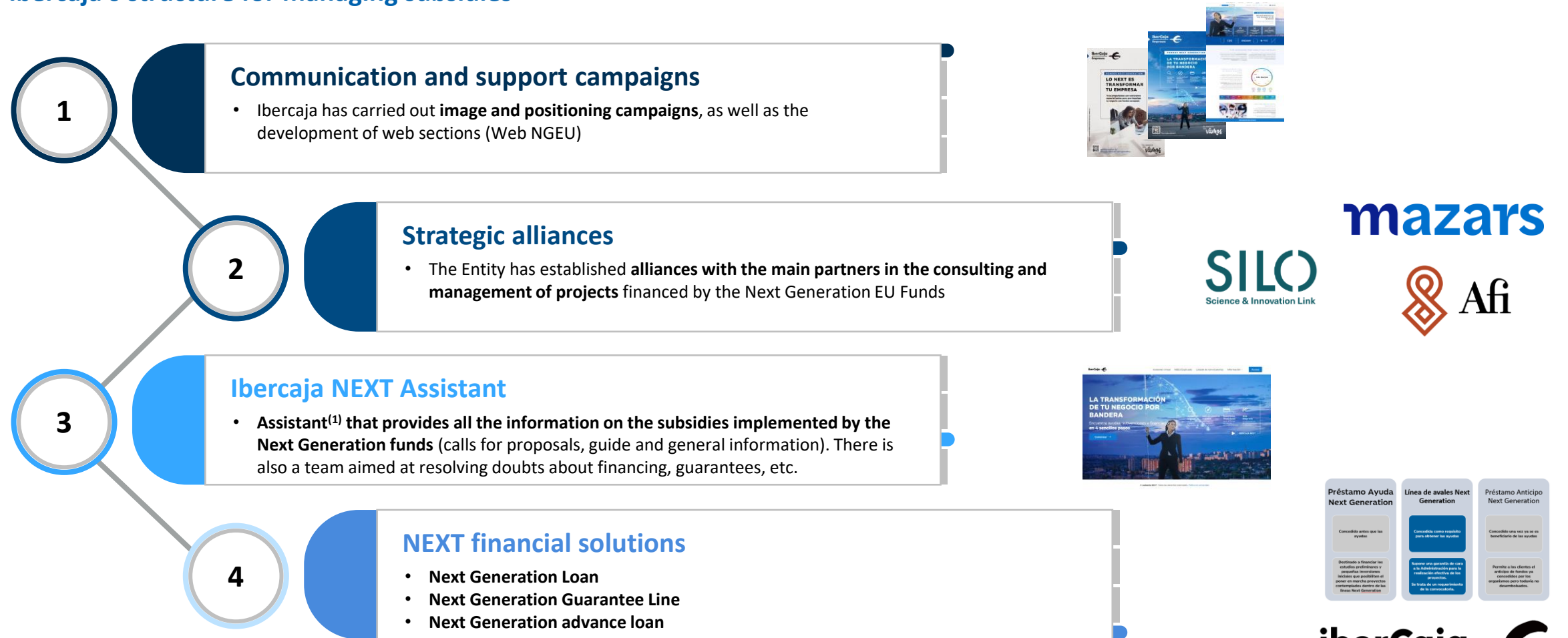


Sustainable Crops Leasing aimed at energy efficiency in the agricultural sector

2. Strategy

In addition, for the management of subsidies, Ibercaja has set up a comprehensive structure aimed at the business segment to position itself as a facilitating partner in the transformation of emission-intensive sectors

Ibercaja's structure for managing subsidies



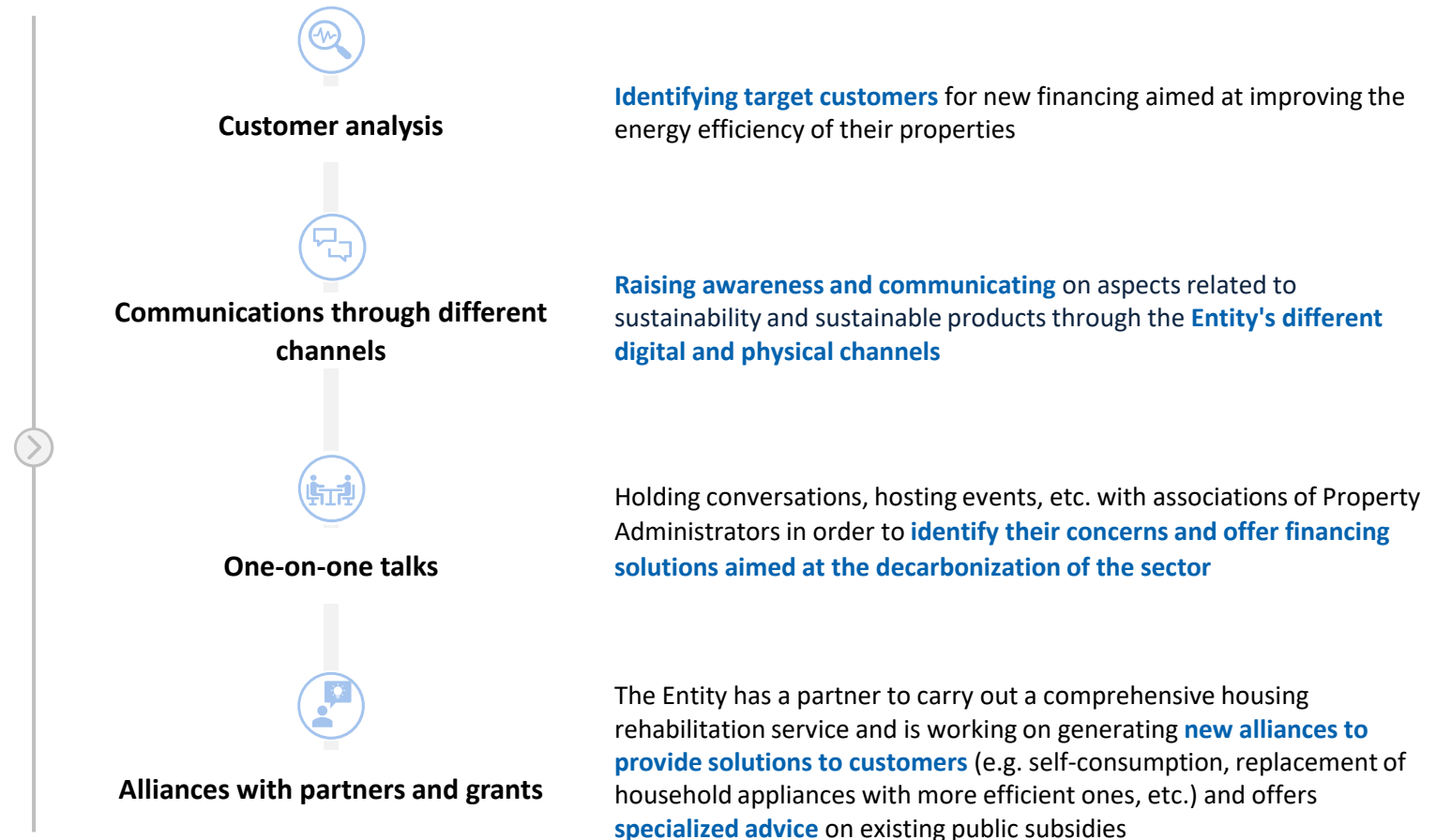
10 (1) Furthermore, if the client registers with the information of his company (activity, autonomous communities in which it operates, sector, size, etc.), the application identifies the subsidies that could be interesting for him according to the potential projects. The assistant crosses this information and provides by e-mail all the calls or tenders (if the client identifies that he is also interested) adjusted to his interests.

2. Strategy

Similarly to the corporate segment customers, the Entity has a defined process to achieve an effective engagement process with the retail segment customers (residential real estate)...

Engagement with retail customers: mortgages

The Entity has a **specific engagement strategy for retail customers** to support them in improving the **energy efficiency of their homes** and to offer them **personalized advice according to their needs**



2. Strategy

...and offers a range of sustainable products and services to support retail customers in the transition

Commitments to customers and sustainable products and services offered to the retail segment

1

The Entity is **firmly committed to sustainability in order to reduce its carbon footprint financed through retail customers**

2

To this end, it has developed a range of **financial products and solutions** aimed at buildings and homes designed to meet customers' needs and support them in the **transition to a more sustainable future**

3

These products focus on **improving the energy efficiency of buildings and facilitating access to Next Generation EU funds** for individuals, homeowners' associations and property administrators



“+Sostenible” Mortgages, aimed at financing homes with an A or B energy efficiency



“+Sostenible” Building aimed at homeowners' associations and also applicable to companies for the improvement of energy efficiency



“+Sostenible” Housing aimed at individuals to improve the energy efficiency of their homes through the replacement of boilers, installation of photovoltaic solar panels or for thermal energy generation and installation of vehicle recharging points



Energy efficiency renovation or improvement dedicated to upgrade the energy performance of the dwelling

2. Strategy

Ibercaja has developed an exclusions policy with the aim of continuing making progress in the financing management

ESG Exclusion Policy

In **May 2023** the Entity approved its **ESG Credit Risk Exclusion Policy**

This is a clear demonstration of its **commitment to the transition** towards a sustainable world, considering in its business strategy decisions the impact that its activities will have on the environment and society

This Policy **applies to all credit operations** carried out by the Entity⁽¹⁾, including the admission of new credit risk operations and renewals to **companies or corporate groups**.

Exclusions established by Ibercaja are classified as follows:




- **General exclusions**
- **Sectoral exclusions**

Both are divided into:



- **Customer level**
- **Operation level**

General exclusions

Customer level






-  Human Rights
-  Labor Rights
-  Multinational companies⁽²⁾

Operation level




-  Human Rights
-  Protected Areas

Sectoral exclusion

Customer level

-  Defense
-  Mining
-  Energy
-  Agriculture
-  Adult entertainment

Operation level

-  Defense
-  Mining
-  Energy

13 (1) The Entity establishes a series of qualifications, such as, for example, the availability of a decarbonization plan in line with the Paris Agreement.

(2) Companies that do not respect or do not support the provisions contained in the OECD Guidelines for Multinational Enterprises.

2. Strategy

Ibercaja provides support to industry and the public sector based on the Paris Agreement goals on Climate Change, the commitments undertaken by the Entity and international alliances.

Commitments with industry and the public sector



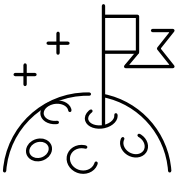
Ibercaja participates in various sustainability initiatives and follows the main frameworks and recommendations established as a reference in the sector, while collaborating with regulators and supervisors. In 2022, the ECB climate stress test exercise was carried out.

- 1 It has been a signatory of the **United Nations Global Compact** since 2006, thereby ratifying that its activities are carried out in accordance with the principles established by this initiative and reporting annually on its performance.
- 2 In April 2021 Ibercaja signed, as a founding member, **the Net Zero Banking Alliance (NZBA)**, an initiative promoted by the United Nations that encourages the commitment of the banking sector worldwide to achieve neutrality of CO₂ emissions, both its own and those of its portfolio, by 2050.
- 3 The Entity is part of UNEP-FI, the **United Nations Environment Programme Finance Initiative**, which aims to mobilize private sector financing for sustainable development, promoting a financial sector that generates positive impacts for people and the planet.
- 4 Ibercaja has been a signatory since 2019 to the **United Nations Principles for Responsible Banking (PBR)**, as a framework for a financial system that acts as a lever for sustainable development. Therefore, the implementation of the PRB is part of the sustainability project and is one of its main lines of action.

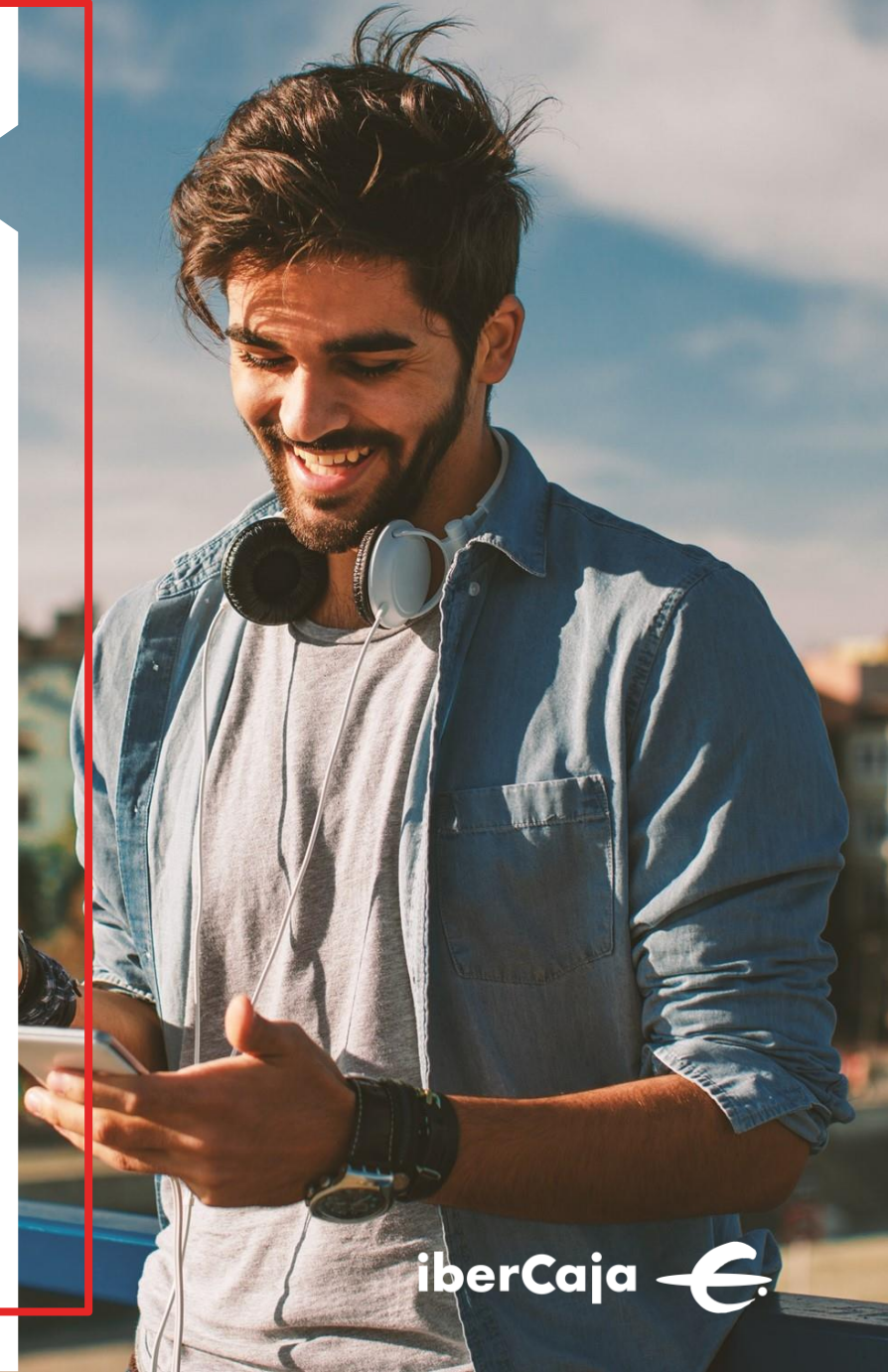


- 5 In 2019 Ibercaja adhered to the recommendations of the **Task Force on Climate Related Financial Disclosures (TCFD)**, as guidance for the development of climate-related disclosures.
- 6 In 2022, the Entity joined the **Partnership for Carbon Accounting in the Financial Industry (PCAF)** to work on its commitment to achieve emissions neutrality of its loan and investment portfolios by 2050 or earlier.
- 7 As a sign of the Group's commitment to sustainable investment, since 2011 Ibercaja Pension has subscribed to the **United Nations Principles for Socially Responsible Investment (UNPRI)**, to which Ibercaja Gestión adhered in 2021.
- 8 Ibercaja Gestión and Ibercaja Pensión have joined the engagement platform **Carbon Disclosure Project (CDP)**, a non-profit organization that manages a system for the disclosure of environmental information by companies. They are also signatories of the **NZAM initiative**.





3. Metrics and targets



3. Metrics and targets

Concerning Ibercaja's metrics and targets, in 2022, in 2022 the Entity calculated its baseline year metric for three emissions-intensive sectors, as well as the target for the year 2030. This year, the calculation of the evolution of portfolio intensity has been carried out...

Summary of decarbonization targets and recalculation as of December 2022




In 2021, Ibercaja **signed as a founding member of the NZBA** with the firm commitment to achieve emissions neutrality by 2050. Additionally, the Entity is a **member of the PCAF alliance**, which sets the global standard for measuring and calculating the financed carbon footprint by financial entities.

In 2022, the Entity **calculated its baseline (2021) for three of the most material and emissions-intensive sectors** in its loan portfolio, as well as **the target for 2030**. The sectors with set targets include **iron and steel production, power generation, and residential real estate** (mortgage portfolio). Furthermore, during the current year, the calculation of emissions intensity for 2022 has been conducted to understand the evolution of each sector between the two periods.

Regarding the methodology employed⁽¹⁾, it has been updated this year, and a recalculation of baselines has been carried out, adapted for each sector, along with the reduction percentage set for the electricity generation sector. This adjustment **aligns the 2030 target with national goals for this sector**. The calculation methodology is based on the recommendations of the Net Zero Banking Alliance and the Guide for Setting Climate Targets for Banks published by UNEP-FI.

The following table provides more detail on the reference **scenarios used**, the **covered emission scopes**, the **intensity metrics used**, **baseline (2021)**, **intensity in 2022**, and the **2030 target for each sector**:



Sector	Scenario	Emissions Scope	Metric	Baseline year metric	2022 Intensity	Metric Target (2030)
 Power Generation	NZE 2050 (IEA)	1 & 2	kg CO ₂ eq / MWh	68 (2021)	118 (+73%)	61 (-10%)
 Iron and Steel production	NZE 2050 (IEA)	1 & 2	kg CO ₂ eq / t of steel	966 (2021)	900 (-7%)	869 (-10%)
 Residential Real Estate	NZE 2050 (IEA) y CRREM 1,5°C	1 & 2	kg CO ₂ eq / m ²	41 (2021)	39 (-5%)	35 (-16%)

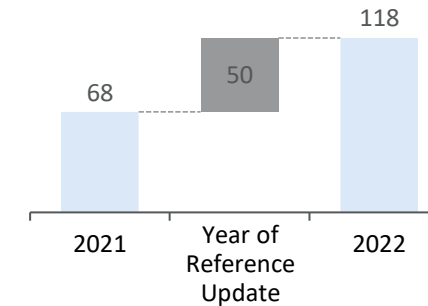
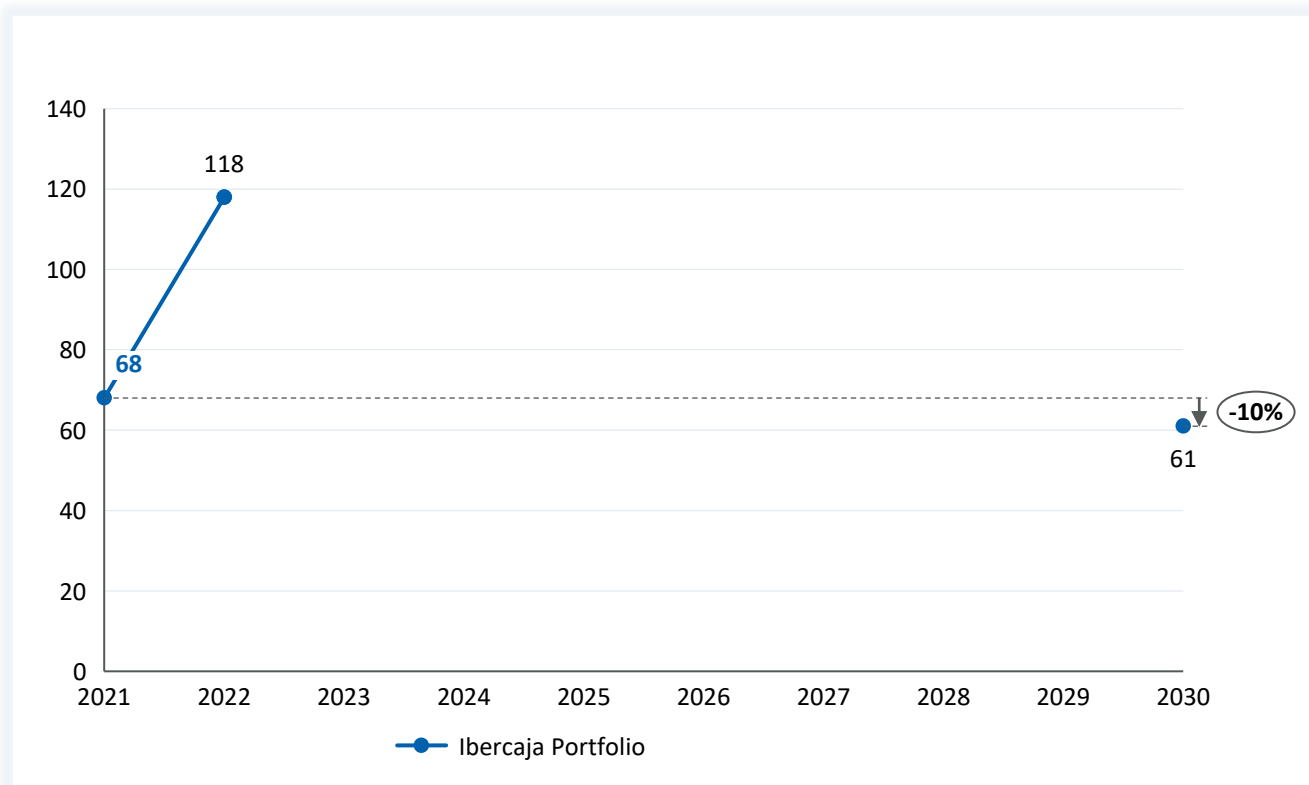


16 (1) The baselines and 2030 targets have been recalculated due to methodological changes as well as improvements in the quality and availability of the data used. However, these targets may be subject to modifications as methodologies, scenarios, and other data used are constantly evolving.


3. Metrics and targets – Transition Plan for the Power Generation Sector

...detailing the evolution of the intensity metric for the power generation sector...

Analysis of the current situation and the evolution of Ibercaja in the process of decarbonizing the power generation sector



The emissions intensity of the power generation portfolio **continues to remain below the reference scenario** employed (NZE 2050). However, it has experienced a 73% increase between 2021 and 2022, primarily due to the following reasons:

 **The entry of new clients into the portfolio** with significant amounts and an **intensity factor higher** than the portfolio's average. However, these clients are **committed to the decarbonization**⁽¹⁾ of the sector and aligned with the Entity's targets for 2030.





 There is **an increase in intensity primarily from one counterparty** compared to 2021 due to the **growth in power generation through combined cycle** (+25% vs. 2021).

In any case, **Ibercaja's portfolio remains in a privileged position regarding the emissions intensity level of its energy portfolio**, thanks to the significant support provided by the Entity to counterparties dedicated to electricity generation from **renewable sources**.

3. Metrics and targets – Transition Plan for the Power Generation Sector

... and analysing the main trends for the sector's alignment with decarbonization, taking into account the National Integrated Energy and Climate Plan (PNIEC)⁽¹⁾...

Pros and cons related to decarbonization alternatives for power generation sector

Main driver of decarbonization according to PNIEC		Solar & Wind	Storage (batteries and pumping)	Hydraulic	Nuclear	Combined cycle + CCUS
						
Pros		<ul style="list-style-type: none"> • Proven technologies reaching maturity phase with low Levelized Cost of Electricity (LCOEs) 	<ul style="list-style-type: none"> • Promotion of the efficient integration of renewables 	<ul style="list-style-type: none"> • They provide stability to the electrical system • They contribute quality to the system by promoting the maintenance of frequency and other indicators within the safety range 		
Cons		<ul style="list-style-type: none"> • They don't contribute firmness (availability during peak demand) and provide less balance than other technologies (capacity to adapt their production) to the electrical system 	<ul style="list-style-type: none"> • In the development phase (elevated battery LCOS - Levelized Cost of Storage) • Difficulty in finding new locations to place reservoirs (hydraulic pumping) 	<ul style="list-style-type: none"> • High investment costs • Difficulty in finding new locations to place reservoirs 	<ul style="list-style-type: none"> • They have a closure schedule 	<ul style="list-style-type: none"> • In the development phase (high costs) • The PNIEC considers low utilization of combined cycles, making investment in CCUS challenging

3. Metrics and targets – Transition Plan for the Power Generation Sector

...and the identified risks that add uncertainty to the incomes and development of new technologies within the sector

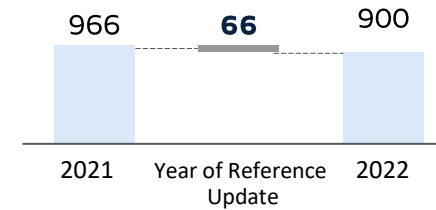
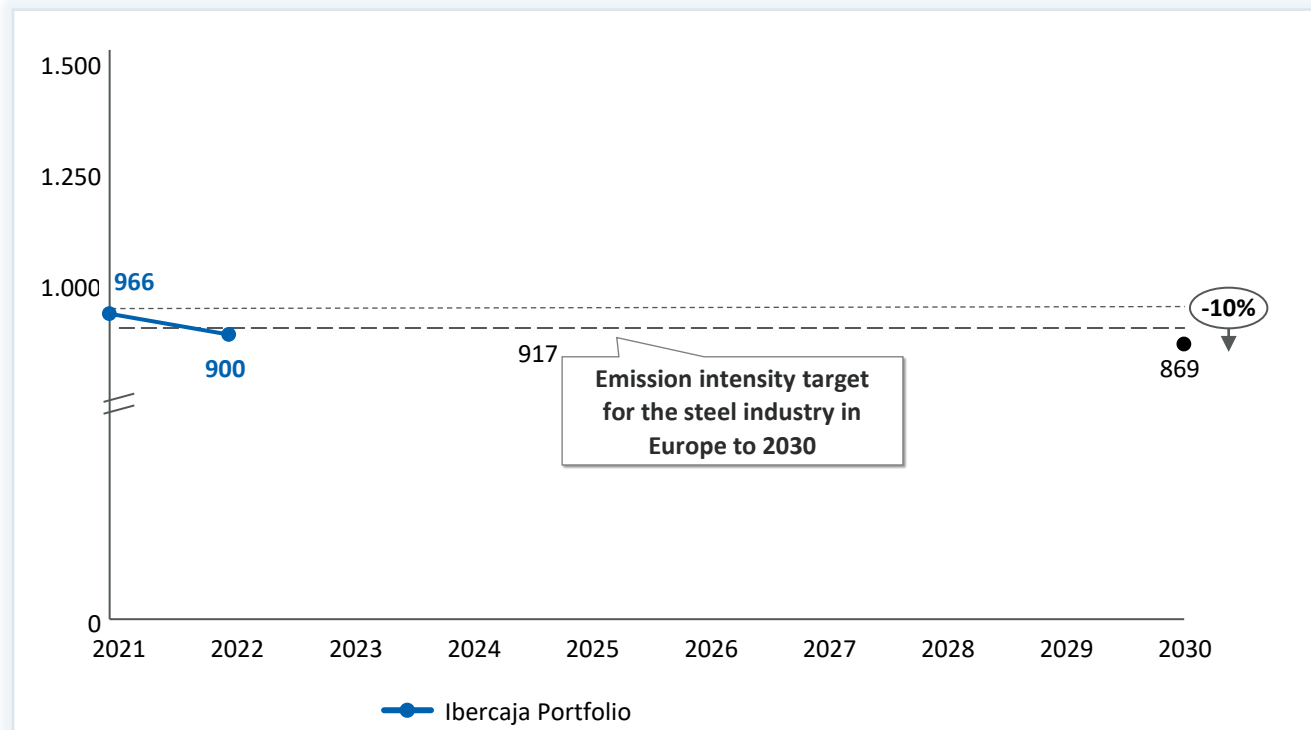
Main risks associated with the decarbonization of power generation sector

Development			Incomes				
Bottlenecks	Access Capacity	Runoffs	Cannibalization	Raw material volatility	Storage development	Electrification	Changes in wholesale markets
							
<ul style="list-style-type: none"> The development times are very high due to: <ul style="list-style-type: none"> – Permitting processes are very costly – Bottlenecks in the supply chain 	<ul style="list-style-type: none"> The available access capacity is very limited (reserved for auctions) The volume of projects in the queue is 200 GW (compared to the PNIEC's target of an additional 90 GW of renewable power) 	<ul style="list-style-type: none"> Many network nodes are experiencing significant overloading The massive increase in renewables will increase this effect in the coming years 	<ul style="list-style-type: none"> Different renewable technologies exhibit different risk profiles based on their production regime and renewable resource in each geography 	<ul style="list-style-type: none"> The volatility of raw materials, such as natural gas and CO₂, strongly impacts electricity prices, adding uncertainty to the revenues of electric generators 	<ul style="list-style-type: none"> The development of storage will allow for the reduction of restrictions, mitigating the loss of future revenues in high renewable penetration scenarios 	<ul style="list-style-type: none"> The uncertainty in the evolution of demand (e.g., electrification and economic development vs. energy efficiency) adds risk when determining future price scenarios 	<ul style="list-style-type: none"> Regulation may introduce changes in pricing dynamics and/or include regulated technologies in liberalized markets that alter competitive dynamics

3. Metrics and targets – Transition Plan for the Iron and Steel Production Sector

Similarly to the power generation sector, the details of the intensity metric evolution for the iron and steel production sector are presented...

Analysis of the current situation and the evolution of Ibercaja in the decarbonization process of the iron and steel production sector



The emissions intensity of the iron and steel production portfolio is **below the reference scenario employed** (NZE 2050). Additionally, it has experienced a 7% decrease between 2021 and 2022, primarily due to the following reasons:



The **reduction in emissions intensity from customers committed to decarbonization**⁽¹⁾

In any case, **Ibercaja's portfolio is in a good position**. However, the Entity is aware that it **must continue monitoring these issues to reduce intensity** and meet the set target

20 (1) Customers are considered committed to the decarbonization of the sector if they have a robust decarbonization plan in accordance with the criteria established by CDP.

3. Metrics and targets – Transition Plan for the Iron and Steel Production Sector

...the main trends for aligning the sector with decarbonization, considering the European Commission's REPowerEU Plan⁽¹⁾...

Key alternatives for decarbonizing the iron and steel production sector

Objective	Description	Emission reduction	Production cost increase	Additional complexities	Technological Maturity	Necessity of CAPEX
Reduction of CO ₂ emissions	1 Electrification and increased efficiency of Basic Oxygen Furnaces and Electric Arc Furnaces through machinery improvement, electrification, and digitalization	5% - 10%	-		High	✓
	2 Use of biomass as a substitute for coal in Basic Oxygen Furnaces	20 - 40%	Biomass price vs. Coal price	Availability of biomass at a reduced price	Low	✗
	3 Use of natural gas instead of coal for Direct Iron Reduction in Electric Arc Furnaces	65%	Natural gas price vs. Coal price	Availability of natural gas at a reduced price	High	✗
	4 Introduction of carbon capture and utilization systems	60 - 90%	+30 - 50%	Locations for storing CO ₂	Low	✓
100% decarbonization	5 Increase in scrap used in Electric Arc Furnaces to avoid Direct Iron Reduction (which often uses polluting fuels) and use of 100% renewable electricity	100%	+ (GdOs cost renewables and scrap)	Availability of scrap in large quantities	High	✗
	6 Utilization of Direct Iron Reduction with green hydrogen in Electric Arc Furnaces	100%	+60 - 90%		Low	✗

3. Metrics and targets – Transition Plan for the Iron and Steel Production Sector

...and analysis of the associated risks for the development of the sector

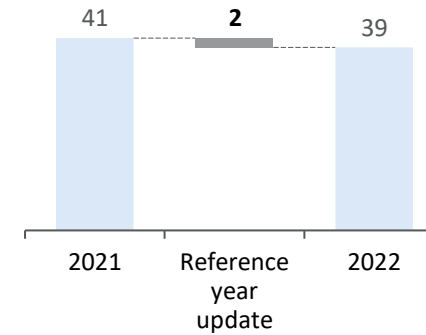
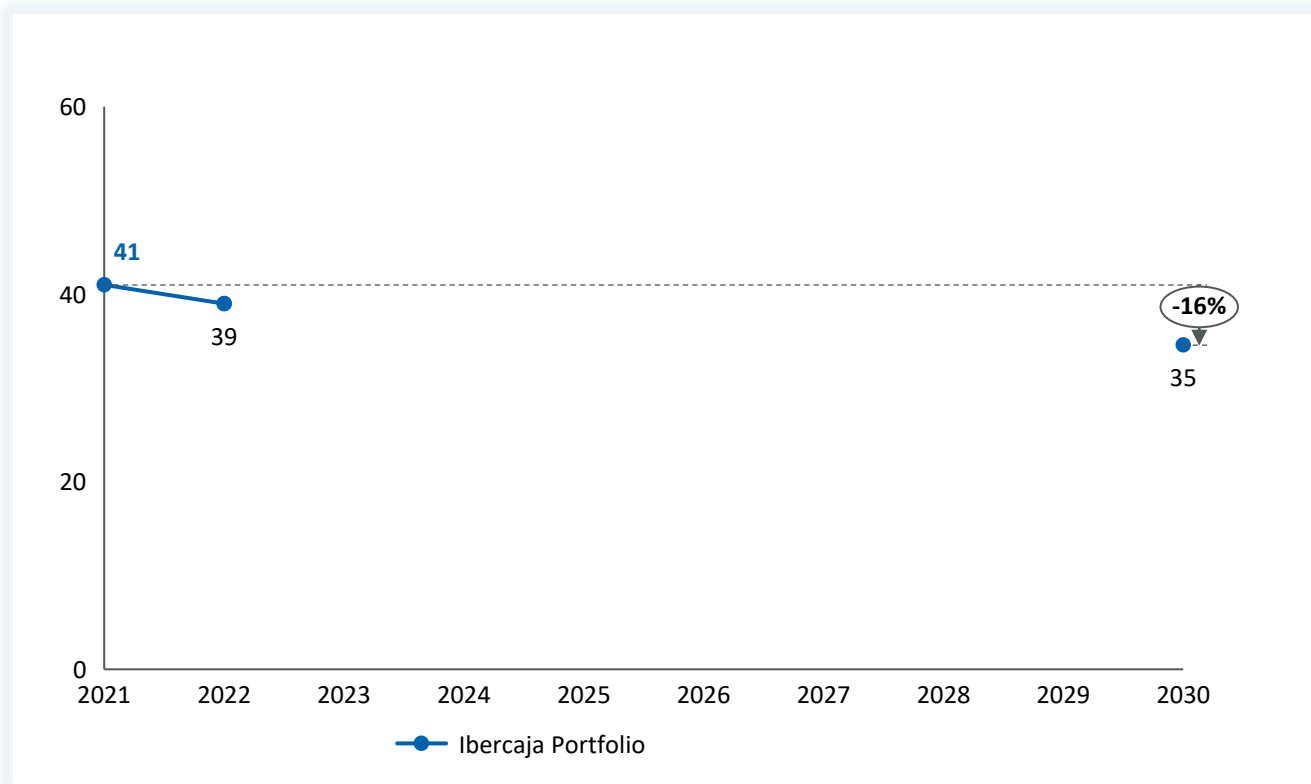
Main risks associated with the decarbonization of iron and steel production sector



3. Metrics and targets – Transition Plan for the Residential Real Estate Production Sector

Finally, the details of the evolution of the intensity metric of the residential real estate sector are shown...

Analysis of the current situation and the evolution of Ibercaja in the decarbonization process of the residential real estate sector



The intensity of the residential real estate portfolio has experienced a **reduction of 5%** between 2021 and 2022 mainly due to the following reasons:

The **increase in the weight of properties with high energy efficiency** (A and B) compared to 2021. These properties have **increased** their weight over the total portfolio by **53%**

The Entity's work in the development and marketing of products and services aimed at improving the energy efficiency of properties, in accordance with sector trends⁽¹⁾

3. Metrics and targets – Transition Plan for the Residential Real Estate Production Sector

...the main trends for aligning the sector with decarbonization...

Key alternatives aimed at decarbonizing the residential real estate sector

Alternatives that impact the energy certifications of homes

New homes



- Construction of new homes with **more favourable energy certifications** than the average housing stock

New thermal equipment



- Replacing a **natural gas boiler** with a **heat pump** or **renovating an old natural gas boiler** with a **new** one to substantially reduce energy consumption and CO₂ emissions

Housing rehabilitation



- **Rehabilitation of facades, windows and roofs** to **increase the insulation** of homes and thus **prevent thermal energy leakage**

Self-consumption



- Introduction of **solar panels in homes** to **reduce energy consumption** by producing energy during the central hours of the day

New appliances



- **Replacing old appliances with new models whose energy efficiency is higher** and therefore their energy consumption is lower

Thermal control systems




- **Introduction of devices** designed to **maintain the temperature of a home** within optimal levels, thus **promoting the reduction of energy consumption and greenhouse gas emissions**

3. Metrics and targets – Transition Plan for the Residential Real Estate Production Sector

...and the main risks associated with the sector that add uncertainty to income and the development of new technologies...


Main risks associated with the decarbonization of the residential real estate sector

Economic investments




- **Lack of liquidity** by homeowners to be able to undertake the necessary investments **to improve the energy efficiency of their homes**

Visibility of the impact of the measures




- **Lack of visibility of the positive impact** (economic, energy, environmental) that the measures related to the **decarbonization of homes entail, leading to a low implementation of these**

Verification of the impact of investments



- Lack of **capacity** by **financial entities** to **measure** the **impact** of the **loans requested by their clients** to carry out **decarbonization measures in their homes**

Infrastructure adaptation

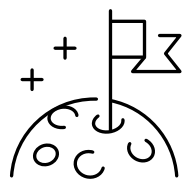


- **Complexities/difficulties** when **adapting existing infrastructure to new technologies** introduced in homes, **especially in neighbourhood communities**

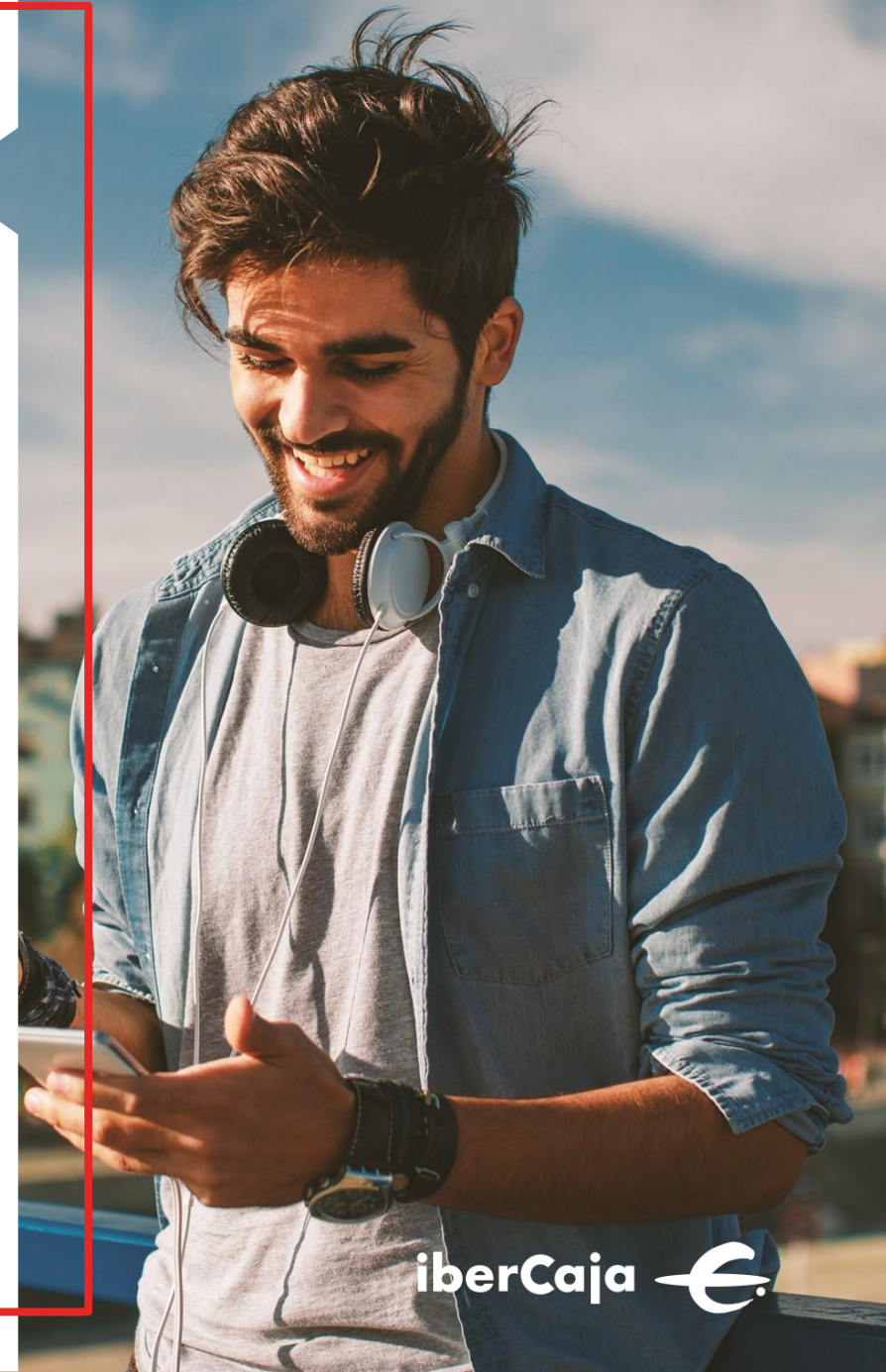
Distribution network vs. Electrical demand



- **Growth in electricity demand derived** from an **increase in electrification in homes** that is **not aligned** with the **deployment of the distribution network**



4. Governance



4. Governance

Ibercaja integrates the objectives and priorities into its evaluation and decision-making tools and processes to support its commitment to being carbon neutral by 2050, showing a governance structure with the different functions of each bank's area clearly defined...

Roles and responsibilities of sustainability governance within the Entity

Ibercaja has developed a **sustainability governance model** with the direct **involvement of the Board of Directors**, which promotes the Entity's positioning in sustainable development, with the **assistance of the Strategy Committee**

The implementation of the sustainability strategy is carried out by a broad **cross-functional team**, in charge of developing the Global Sustainability Project

In 2020, the **Board of Directors**, after review by the Strategy Committee, **approved the Sustainability Policy**, an essential element that establishes the commitments and framework of **action** of the **Ibercaja Group** in matters of **sustainability**

First level government model



Second level government model

ESG Committee

- Track ESG product investment mandate
- Promote sustainable investment

Environment Committee

- Ensure compliance with the environmental policy, as well as its review and approval

All areas of the Bank

- Work to implement the Sustainability Strategy and Decarbonization Plan aligned with GFANZ recommendations and guidance

4. Governance

...and has developed a Transition Plan governance model that promotes the Entity's positioning in sustainable development...

Activities and responsibilities of the areas related to the supervision and execution of the plan

D. Brand, Reputation and Sustainability

Coordinate and supervise compliance with the **Transition Plan** and accountability to social bodies:

- Committees
- Tips

Analyse **sector trends** and **new opportunities**

D. Business Banking Network Area

Execute and supervise compliance and **monitoring of the engagement strategy with companies, as well as implement the sustainability strategy in the business and encourage** and **drive the growth of the sustainable business**

D. Organization and Operations

Implement the processes and incorporate into systems the **necessary developments to comply with and supervise the Transition Plan** (KYC questionnaires, etc.)

Credit Risk Area

Monitoring the evolution of the **intensity metrics** used in the definition of **decarbonization targets** as well as the **RAF metric of carbon-intensive sectors**

D. Marketing and Digital Strategy Area

Supervise, promote sustainable business growth and track compliance with the **engagement strategy with retail customers**

Corporate Information and Analytics

Extract the necessary information for the rest of the areas to monitor decarbonization targets

Ibercaja has developed a governance model similar to the existing one for the rest of the issues related to **sustainability aimed at the definition, execution and monitoring of the Transition Plan**, in which all the areas involved are coordinated from Brand, Reputation and Sustainability, **reporting to the Reputation and Sustainability Committee**, a board-level committee chaired by the CEO



4. Governance

Additionally, the Entity has a professional development plan that includes an ESG program to promote the training of the teams that design, apply and supervise the plan in the performance of their sustainability functions

Capabilities and culture for staff development



Ibercaja is **developing a sustainability project** and after the **implementation** of the **PBR**, employees are being supported through a **training and education strategy**

For this reason, a **specific line of training in sustainability** has been **developed** within the **Entity's Professional Development Plan**

In addition, **training has been carried out** for the entire staff with the most relevant aspects of the **integration of sustainability in Ibercaja's strategy and business**

▶ **Sustainability program** on the training platform for the entire workforce:

- ESG Financial Advisor
- Sustainable Development Goals Course
- Sustainable Finance Online Course
- Sustainable Finance in the entity
- Integration of Climate and Environmental Risks

▶ **Specific ESG training necessary for the performance of its functions in the areas of:**

- Internal audit
- Risk Control Directorate

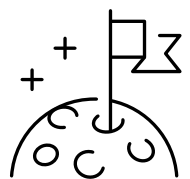
▶ **Training** for the **Credit Risk** area on the operation and ESG criteria registered in the Entity's **Exclusions Policy and its implementation**

▶ **Training on sustainability**, sectors with **Net Zero targets** and **decarbonization trends:**

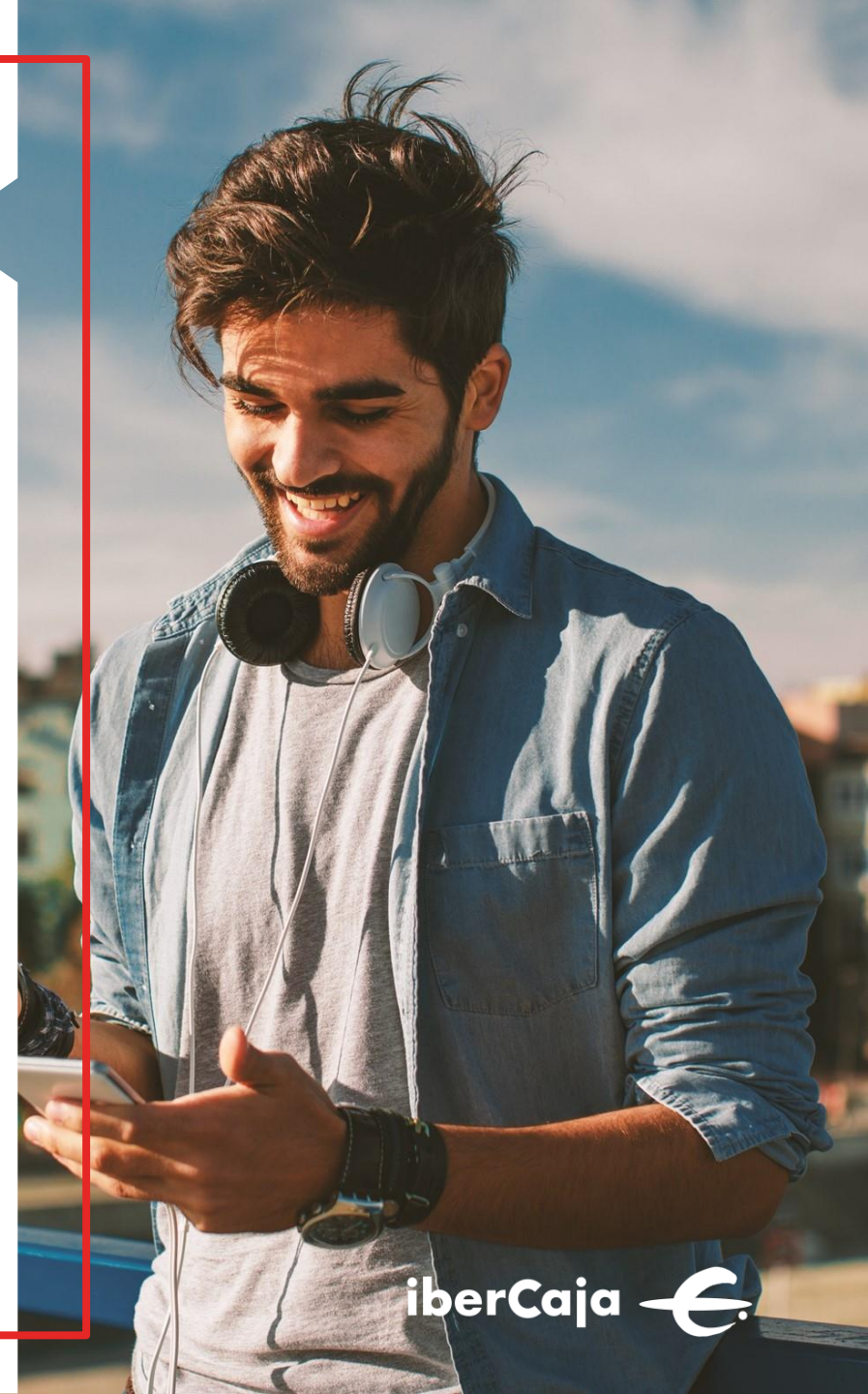
- **Specific training** for the **sales team**

▶ **Training activities** linked to **sustainability** and the **environment:**

- **Training sessions** in different **areas** of **Sustainable Finance**
- **Specific training** for **waste managers**, with the updating of content necessary for the correct **performance of their work**



Annex



Annex I – Summary of the Transition Plan

The Transition Plan to be published on the website will follow the structure and content proposed by GFANZ in its guide on the development of transition plans

Transition Plan

Section	Subsection	Section that gives response	Page
Foundations	Targets and priorities	Foundations	3
	Products and services	Strategy	6
Implementation Strategy	Activities and Decision-Making	Governance	26
	Policies and Conditions	Strategy	6
Compromise Strategy	Commitment to customers and portfolio companies	Strategy	6
	Commitment with the industry	Strategy	6
	Commitment to government and the public sector	Strategy	6
Metrics and Targets	Metrics and Targets	Metrics and Targets	15
	Roles, Responsibilities, and Compensation	Metrics and Targets	26
Governance	Capabilities and culture	Metrics and Targets	26



Thank you