2023
Climate Report

VidaCaixa

CONTENTS

INTRODUCTION

According to the latest report by the Intergovernmental Panel on Climate Change (IPCC) published in 2023, human activity has caused a global temperature increase of 1.11°C between 2011 and 2020, in comparison with the levels recorded between 1850 and 1900, and it has continued to rise.

As a result, extreme climate and weather phenomena are happening across the globe, which in turn lead to losses for ecosystems and people.

The risks and adverse impacts forecast for the future are worse than the ones at present, as they multiply with every tenth of a degree Celsius temperature increase. Furthermore, climate and non-climate risks will increasingly interact, giving rise to compound and cascading risks that are even more complex and difficult to manage.

Therefore, at the global level, countries have ratified and reiterated – within the framework of COP 27 – their ambition to reduce their greenhouse gas emissions, limiting global temperature increase to 1.5°C above pre-industrial levels (the Paris Agreement).

Limiting global warming calls for achieving net-zero Co_2 emissions by 2050, as set out by the European Green Deal and the Spanish climate change and energy transition law.

In light of this situation, VidaCaixa is committed to making strides towards decarbonisation by reducing the emissions related to its activity as well as integrating the management of climate change risks and opportunities, in order to ensure the resilience of the business model in a scenario aligned with the Paris Agreement.

With the aim of providing transparency in this commitment, this Climate Report has been drawn up in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

VidaCaixa is aware not only of its exposure to risks arising from climate change through its direct activities, but also of the **important role that insurance companies and financial institutions play as drivers of change in the economy's climate transition**.

Therefore, a large part of the strategy and efforts devoted to climate issues are focused on the investment portfolio, including climate elements in decision-making, monitoring their impact and driving decarbonisation among its investee companies.

CLIMATE STRATEGY

VidaCaixa drew up its 2022–2024 Sustainability Master Plan to serve as a road map to anticipate risks and opportunities and improve the company's resilience. One of the strategic pillars of the Plan is "**promoting a sustainable transition**". This includes different courses of action which in turn respond to the commitments set out in the **Statement on Climate Change**, the main document for climate management at VidaCaixa.

VIDACAIXA'S CLIMATE STRATEGY is focused on:

» Integrating climate metrics when building the investment portfolio

This integration of ESG criteria has earned **VidaCaixa the highest possible score from PRI (Principles for Responsible Investment),** with a five-star grade in the Policy, Governance and Strategy module.

It's also worth pointing out that as a member of the Net Zero Asset Owner Alliance, it's committed to applying the alliance's recommendations with regard to thermal coal, as defined in the Thermal Coal Position paper[1].

Under these principles and commitment, VidaCaixa applies exclusion criteria whereby it does not invest in companies that do not meet certain requirements related to fossil fuels such as thermal coal, oil or gas, as defined in the Policy on the Integration of Sustainability Risks[2].

In addition to the application of exclusions, it performs an analysis of different sustainability metrics, which include the carbon footprint, carbon intensity and power consumption of the investee company, aside from the rating from different ESG indexes and benchmarking providers. For these parameters, thresholds have been set to decide on whether to invest in the company in question.

» Monitoring the climate metrics of the portfolios

Once the investment has been made in the companies in question, throughout the investment life cycle, the aforementioned metrics continue to be monitored, in order to ensure that they stay in line with VidaCaixa's commitments. Otherwise, the measures listed in the next section are applied, and if there are no changes, disinvestment could be the outcome.

» Exercising active ownership (voting and dialogue)

In those cases in which a need for engagement is identified to understand and/or improve the performance of the investee company, VidaCaixa can start a dialogue process or exercise its voting rights during the General Shareholders' Meeting to support proposals in favour of greater transparency or better ESG performance. Sometimes, a dissenting vote is cast against the re-election of a Board member responsible for ESG issues if the achievements, dialogue process or management of ESG incidents, among others, is deemed to have been inadequate in the end. This process is defined in the Engagement Policy[3] and an annual report is drawn up in the Engagement Plan[4].

1. Thermal Coal Position paper NZAOA
2. Policy on the Integration of Sustainability Risks
3. Engagement policy
4. Engagement plan

Financing the transition

The company drives investments in climate-positive solutions, such as green bonds, which finance projects to improve energy efficiency and the development of renewable energy, among others.

Environmental Management Plan

This enables us to minimise the impact of our operations on climate by directly reducing emissions and offsetting those that we are unable to remove for now.

Membership in different initiatives

VidaCaixa is a member of the main climate initiatives in the sector. Through the Investment Division, it actively participates – going above and beyond the minimum required by membership – by contributing to and even leading working groups:

Net Zero Asset Owner Alliance (NZAOA)

It's an initiative headed by institutional investors that are committed to the transition of their investment portfolios to net-zero greenhouse gas emissions by 2050, in line with a 1.5°C warming limit.

The members of the Alliance were the first in the financial sector to set interim targets, which include CO_2 reduction ranges for 2025 (22%–32%) and for 2030 (40%–60%).

Principles of Responsible Investment (PRI)

It's an initiative developed by an international group of institutional investors to integrate ESG criteria into investment practices.

As a signatory, VidaCaixa:

- Integrates commitment to the six principles in its internal investment decision-making processes (ESG integration in investments).
- Prepares a detailed annual questionnaire in which performance is made transparent.

Additionally, the Investment Division participates in specific working groups promoted by the initiative, for example, by presenting and sharing knowledge.

Climate Action 100+

This initiative aims to reduce emissions, improve climate governance and set financial metrics on climate change.

As a member company, VidaCaixa is committed to:

- Engaging in collective dialogues with the companies with the highest levels of greenhouse gas emissions at the global level.
- Publicly supporting CA+ and its decarbonisation targets.

Likewise, since 2022, the company has gone one step further, taking on the role of co-leader in two of the dialogues with companies, aside from being a signatory.

RISKS AND OPPORTUNITIES ARISING FROM CLIMATE CHANGE

In accordance with the Task Force on Climate-related Financial Disclosures (TCFD) climate change reporting standards, the climate risks considered are classified into:

PHYSICAL RISKS	These are risks linked to climate events, which may be chronic or acute and may involve physical damage to assets (infrastructures, property), production or supply chain disruptions and/or changes in the productivity of economic activities (agriculture, power generation).	• Chronic: changes in climate patterns, average temperatures, rainfall, rising sea levels, etc. • Acute: more extreme events and an increase in the intensity and severity of tornadoes, hurricanes, floods, etc.
TRANSITION RISKS	These are risks that arise as a result of the transition to a lower-carbon economy.	• Legal and political risks • Technology risks • Market risks

VidaCaixa is exposed to these risks in multiple ways, which may have an impact on the assets' ability to create long-term value:

- As an insurance company that offers insurance policies, for example, through changes in our customers' mortality and morbidity, a rise in diseases or changes in insurance trends and preferences.
- As an investment company with significant stakes in different economies and companies that could be affected by the physical impact of climate change and the transition to a lower-carbon economy.

Below are the main climate risks with an impact on the traditional risks in the VidaCaixa risk catalogue:

Main climate risks with an impact on traditional risks

Risk	Acute Physical Risk	Chronic Physical Risk	Transition Risk
Market	Higher spreads in the government bonds of countries exposed to extreme physical risks Decline of municipal bonds in areas affected by weather phenomena Decrease in property values in areas vulnerable to weather phenomena Negative effects on the economy and finance Increased business risk and currency volatility	Higher spreads in the government bonds of countries exposed to chronic physical risks Fall in property portfolio values in areas vulnerable to weather phenomena Decline in the value of investment assets	Reduced value of investments with disruption to the stability of the real economy Higher spreads in the government bonds of countries dependent on fossil fuel exploration and/or carbon-intensive industries due to the transition to a lower-carbon economy Assets sunk in oil and gas companies by green technologies Asset devaluation Changes in customer preferences
Credit	Reduced solvency	Prohibitive reinsurance cover	Decline in the value of portfolios Lower solvency and higher exposure of companies
Actuarial	Increase in claims Higher mortality	Increase in life and health insurance claims	--
Profitability	Reduced demand due to lower economic activity	Decrease in profit margins	Decrease in demand for life insurance Demand for new product profiles
Legal/Regulatory			Increase in lawsuits Reputational damage
Other operational risks	Increased operational costs and threats	Increased operational costs and threats	

CLIMATE RISK GOVERNANCE

03

The governance of sustainability in general and climate change in particular is one of VidaCaixa's priorities. This is why the Board of Directors is ultimately responsible for approving the strategy and principles of action for sustainability, as well as supervising their proper implementation.

VidaCaixa integrates environmental, social and governance (ESG) criteria into the core elements of the risk management system, with a top-down governance model structured though the governing and management bodies, which are complemented by other internal committees and areas of the company.

GOVERNING BODIES

BOARD OF DIRECTORS

- It monitors and approves the results of the risk assessment process, including climate risks, at least once a year.
- It approves, supervises and ensures the effectiveness of the commitments set out in the Statement on Climate Change.
- It sets the strategy and fundamental principles of sustainability risk integration, including climate risks.

Risk Committee

It advises the Board of Directors on the risk strategy and overall risk appetite and proposes policies for risk management.

Audit and Control Committee

VidaCaixa's Audit and Control Committee supervises and assesses the effectiveness of the financial and non-financial risk management systems.

Appointments, Remuneration and Sustainability Committee

It supervises compliance with VidaCaixa's environmental and social policies and rules.

MANAGEMENT BODIES

Global Risk Committee

It's responsible for the integration of sustainability risks.
It reports on the evolution of the RAF carbon footprint metrics, among others, on a monthly basis.

Sustainability Steering Group

It raises awareness, analyses and coordinates decision-making on sustainability matters.

Steering Committee

It approves the courses of action on sustainability.

Investment Committee

A delegated committee of the Steering Committee. It reports on the climate metrics for the investment portfolio on a monthly basis.

Sustainability Division

The Sustainability Division is responsible for implementing the sustainability strategy and its integration across the entire company. In terms of climate aspects:

- It implements and monitors climate change mitigation actions across VidaCaixa's operations and its investments.
- It analyses climate risk impacts on the investment portfolio together with the Risk Division.

POLICIES RELATED TO CLIMATE MANAGEMENT

VidaCaixa's internal regulatory framework sets out a number of policies and standards in the field of sustainability with an impact on climate governance:

STATEMENT ON CLIMATE CHANGE[1]

It defines five courses of action for climate change management, both directly (VidaCaixa) and indirectly (customers, investee companies, business partners and value chain):

1. Support viable projects compatible with a carbon-neutral economy and solutions to climate change.
2. Manage risks that arise from climate change and move towards climate neutrality in the investment portfolio.
3. Minimise and offset our operational carbon footprint.
4. Foster dialogue on sustainable transition and collaborate with other organisations to move forward together.
5. Report on our progress in a transparent manner.

POLICY ON THE INTEGRATION OF SUSTAINABILITY RISKS[2]

It sets out the principles and premises that regulate the integration of sustainability risks in investment management, including aspects linked to environmental risks.

DUE DILIGENCE STATEMENT REGARDING PRINCIPAL ADVERSE IMPACTS (PAIs)[3]

It defines how to identify and manage the principal adverse impacts, as well as the policies that comprise their control framework.

ENGAGEMENT POLICY[4]

With regard to active ownership (voting and dialogue), it includes the general principles, criteria and procedures for VidaCaixa's investments, as an insurance company and pension fund manager.

1. Statement on Climate Change
2. Policy on the Integration of Sustainability Risks
3. Principal Adverse Impacts Statement
4. Engagement policy

CLIMATE MANAGEMENT

PROCESSES FOR IDENTIFYING CLIMATE RISKS AND INTEGRATING THEM INTO GLOBAL RISK MANAGEMENT

VidaCaixa has a risk management framework aligned with that of the CaixaBank Group, which is governed by the Global Risk Management Policy and enables decision-making based on the assumption of risks in a manner consistent with the target risk profile and the appetite level approved by the Board of Directors.

The climate risk management model is integrated into this model, as shown below:

RISK ASSESSMENT	Periodic self-assessment of the risk profile for the purpose of assessing the inherent risks assumed according to the environment and business model, as well as the risk management, control and governance capabilities. The results of the self-assessment are reported at least once a year to the Risk Committee and is approved by the Board of Directors.
CORPORATE RISK CATALOGUE	The risk catalogue is a list and description of the material risks identified by the risk assessment process. Climate change risk analysis is done using the risks from the catalogue and associating them with environmental and climate risks (transition and physical). Sustainability risk (ESG) is considered to be a cross-cutting factor affecting various risks in the catalogue (credit, reputational and other operational risks), and mentions of climate change are also included in the definitions of the legal and regulatory risk area. Thus, since 2020, climate risk has been a level 2 risk of credit risk and, since 2018, environmental risk has remained a level 2 risk of reputational risk. Furthermore, climate risk has been a level 2 risk of operational risk since 2021 and a level 2 risk of legal and regulatory risk since 2022. Liquidity and market risks are not explicitly mentioned, given the low level of materiality given to them, but they have been assessed in any case.
RISK APPETITE FRAMEWORK (RAF)	The RAF is a risk profile monitoring mechanism through key indicators of the material risks identified in the risk assessment processes and included in the risk catalogue. The Board determines the risk types and thresholds. It's monitored on a monthly basis and reported to the governing bodies. The metric used for climate change risk is the carbon footprint (tonnes of CO_2e/€m invested), which is in line with the commitment made with the Net Zero Asset Owner Alliance (NZAOA). The threshold defined for this metric is 100 tonnes of CO_2e/€m invested, and will be gradually reduced year after year to meet the Net Zero target.

ASSESSMENT OF VIDACAIXA'S CLIMATE RISKS AND RESILIENCE

In order to assess climate risks, an annual reflection is done on the potential effects that they could have on VidaCaixa's performance and value.

Identifying the risks and opportunities arising from climate change and its impacts generated in the short, medium and long terms is difficult due to:

- Uncertainty in terms of the timing of possible events or actions.
- Time horizons for them to materialise are generally longer than those considered in financial risk assessment and strategic planning.
- Lack of relevant data to base the analysis on.
- Methodological limitations due to the fact that historical data is no longer representative of the current climate for the analysis of possible events in the future.
- Nonlinearity of their effects.

Every year, the Own Risk Solvency Assessment (ORSA) exercise is carried out in order to conduct a prospective internal risk and solvency assessment.

Both qualitative and quantitative assessments of climate risks are carried out within the framework of this exercise. Emphasis is placed on transition risk due to the state of immaturity of the models estimating the impact of physical risks on the production chains affecting the value of assets or the severity of life insurance claims.

For all that, VidaCaixa is aware that its investment portfolio is not free of physical risks, insofar as it's a portfolio with assets across different geographic regions, which makes the assets more exposed to certain climate events. An example of this would be assets in Spain that are more exposed to drought risks. This is why we have made a commitment to improve assessment every year, as indicated in the next page of this report.

Lastly, in relation to the physical risks inherent to the activity itself arising from the nature of mutual benefits, the infrastructures and their location, we have not identified any relevant physical risks that would change how the activity operates for now.

In terms of **transition risks**, a risk assessment was conducted on the corporate portfolio. This analysis was carried out within the framework of the ORSA framework using the PACTA (Paris Agreement Capital Transition Assessment), as recommend by the EIOPA in its "Application Guidance on Running Climate Change Materiality Assessment", which complements the risk analyses.

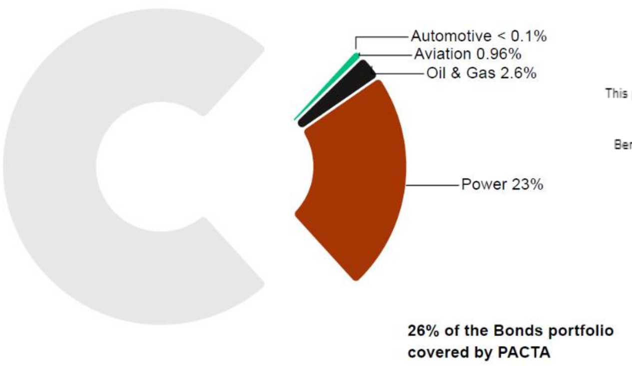
This tool shows the exposure to intensive sectors considering the NACE (numerical codes representing economic activities in the EU) codes and, through the transition plans of the companies through which we have exposure to such sectors, the PACTA estimates a production pathway (MW) in each sector with a five-year forecast across three climate scenarios.

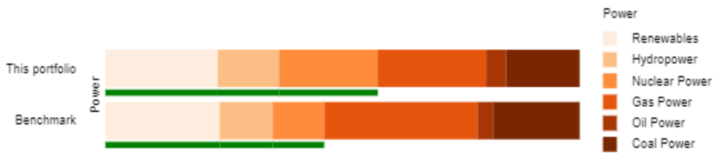
The **scenarios** used are from the European Commission's Joint Research Centre (JRC), which were published in the Global Energy and Climate Outlook (GECO):

- Current policies: this scenario corresponds to a world where the current policies related to GHG emissions, the deployment of renewables and energy efficiency are enacted, and where no additional policies to those already legislated are implemented after 2019.
- NDC-LTS: this scenario considers compliance with the climate policies assumed by countries both in the short term (nationally determined contributions or NDC) and the long term (long-term strategies or LTS).
- 1.5°C-Uniform: in this scenario, a uniform global carbon price is used imminently and exponentially, corresponding to an orderly transition scenario and a pathway aligned with 1.5°C.

The results of the PACTA analysis show that (with a coverage of 74%) **26% of the portfolio** (€1.703bn) **is CO_2 intensive**, with 23% corresponding to the power sector.

Fifty-seven percent of the technologies used in the sector are low carbon (renewables, hydroelectric and nuclear). Of the remaining technologies, thermal coal and oil show expected production pathways in the next five years for a 1.5°C scenario.





Focus on the Power sector due to exposure: VidaCaixa's portfolio shows greater exposure to low-carbon technologies (green line in graph).

» Based on the low exposure to carbon-intensive assets and the commitments made by VidaCaixa, for now, it's not possible to conclude that this is actually a material risk for VidaCaixa.

Furthermore, in relation to the aforementioned **commitment to improve climate risk impact**, an analysis was launched to quantify climate risks – both physical and transition – and to estimate the value-at-risk for the portfolios and corporate entities in which VidaCaixa is an investor or considering becoming an investor. To perform this exercise, scenarios proposed by the Network for Greening the Financial System (NGFS) were used. Specifically, in keeping with supervisory guidelines, different scenarios were compared: 1.5°C Net Zero 2050, 2°C delayed transition and nationally determined contributions (NDC). The costs associated with these scenarios were assessed and calculated by a specialised provider.

METRICS AND TARGETS

As a result of its climate commitments and the strategy deployed for their fulfilment, VidaCaixa has a number of monitoring targets and metrics that provide the different levels of the organisation with information on their progress.

METRICS FRAMED IN THE NET ZERO ASSET OWNER ALLIANCE

THE PORTFOLIO'S CARBON FOOTPRINT

Within the framework of its membership in the Net Zero Asset Owner Alliance, at the start of 2023, VidaCaixa published its interim targets for 2030 for the insurance activity: a commitment to reduce the intensity of scope 1 and scope 2 emissions of the insurance portfolio's corporate investments by at least 50% by 2030, compared with the baseline year of 2019.

EMISSIONS AND CARBON FOOTPRINT OF THE INSURANCE COMPANY (SCOPES 1+2)

2022	2023	
76	59	TCO_2EQ/€M INVESTED
532,426	439,712	ABSOLUTE TCO_2 EMISSIONS

In addition to the NZAOA commitment, VidaCaixa periodically monitors the climate focus of its managed and insurance portfolio which falls within the perimeter of the SFDR (approx. 72%) through a specific dashboard. The carbon footprint, as well as its exposure to carbon-intensive sectors, is monitored as follows:

SFDR PORTFOLIO CARBON FOOTPRINT (SCOPES 1+2+3)
TCO_2EQ/€M INVESTED

2022	2023
451	455

The portfolio's carbon footprint is calculated using the information available on VidaCaixa's systems, fed by the information available from the MSCI on each of the companies comprising our portfolio.

The coverage of information available on these tools increases and improves every year – a fact that has an impact on the variability of the carbon footprint of VidaCaixa's portfolio.

CLIMATE DIALOGUES

Another interim target set by VidaCaixa within the framework of the NZAOA has to do with climate dialogues: engage in dialogues with 20 carbon-intensive companies or those responsible for 65% of the emissions of the insurance portfolio.

For 2023, the minimum target for climate dialogues (either direct or with an active role in group initiatives) was with companies representing at least 10% of the financed emissions in its insurance portfolio, which has been met. This target rises to 15% of financed emissions for 2024.

VidaCaixa defines objective criteria to choose the companies it will engage in a climate dialogue with. These criteria are:

- High greenhouse gas emissions intensity.
- Non-existent or low ambition and/or noncompliance with decarbonisation targets.
- Relevant exposure to fossil fuels.

DIALOGUES WITH COMPANIES AND MANAGERS

2022	2023
1 dialogue within the framework of the CA100+ initiative where we are co-leaders	2 dialogues within the framework of the CA100+ initiative where we are co-leaders
6 new climate dialogues opened	3 new climate dialogues opened
12 dialogues with external managers	13 dialogues with external managers

EXERCISING VOTING RIGHTS

2022	2023
16 meetings where dissenting votes were cast against Board members on the grounds of ESG or climate risk controversies	16 meetings where dissenting votes were cast against Board members on the grounds of ESG or climate risk controversies
33 external climate resolutions supported	31 external climate resolutions supported

OTHER CLIMATE METRICS

FINANCING THE TRANSITION

The commitment to finance the transition is moving in the right direction towards its target with an increase compared with the previous year in investments in green and sustainability bonds, as shown in the table below with cumulative amounts:

GREEN BONDS

2021	2022	2023
€1.263bn	€2.531bn	€3.049bn

SUSTAINABILITY BONDS

2021	2022	2023
€523m	€621m	€770m

SUSTAINABILITY-LINKED BONDS

2021	2022	2023
€103m	€309m	€302m

THE ORGANISATON'S CARBON FOOTPRINT

The organisation's carbon footprint is made up of the following categories:

- Scope 1: emissions from the petrol and diesel consumption of leased vehicles
- Scope 2: emissions from electricity consumption.
- Scope 3: this category is reported partially. It currently includes emissions from the purchase of goods and services (3.1), capital goods (3.2), fuel and energy-related activities (3.3) and travel (3.6).

THE ORGANISATION'S CARBON FOOTPRINT[1]

Scope 1	Scope 2[2]	Scope 3[3]
2021 - 14.36 tCO_2eq	2021 - 158.07 tCO_2eq	2021 - --
2022 - 5.02 tCO_2eq	2022 - 0 tCO_2eq	2022 - 7,394 tCO_2eq
2023 - 5.08 tCO_2eq	2023 - 0 tCO_2eq	2023 - 6,309 tCO_2eq

[1] Data corresponding to the total perimeter of VidaCaixa's own operations.
[2] Data using market-based methodology.
[3] The data shown correspond to categories 3.1, 3.2, 3.3 and 3.6. The total for scope 3 emissions calculated by VidaCaixa can be obtained by adding the portfolio's absolute emissions to these categories (scope 3.15) reported on page 13.

Every year, the organisation's carbon footprint is monitored and efforts are made to improve it, both in terms of calculation and results.

Since 2021, the calculation perimeter has been extended to gradually include the relevant scope 3 categories mentioned above, which means that the data cannot be compared between years.

The calculation methodology aside, emissions have been reduced thanks to the actions set out in VidaCaixa's Environmental Management Plan. These include switching the building's power consumption to renewable energy, driving sustainable mobility and reducing plastic and paper waste generation.

With regard to the emissions that cannot be avoided at present, VidaCaixa has committed to offsetting the carbon footprint (Carbon Neutral) of its own activity for scopes 1, 2 and for category 3.6 business travel under scope 3.

In 2023, a qualitative leap was made with regard to offsetting such emissions, with 75% of the offsets in reforestation projects (50% in projects in Spain) and 25% in renewable energy implementation projects.

ALIGNMENT WITH THE TAXONOMY

For the first time in 2024, VidaCaixa published[1] the degree of alignment with the European green taxonomy for investments linked with its insurance business (the Green Asset Ratio or GAR) and those linked with the pension plan and voluntary mutual benefit organisation (VMBO) business (the Green Investment Ratio or GIR).

More specifically, it assessed and published alignment with two of the taxonomy's six environmental objectives: climate change mitigation and climate change adaptation.

In terms of alignment with the objective of climate change mitigation, based on revenues of the underlying portfolio entities, 1% was assessed for pension plans and VMBOs and 3% for the insurance business. These percentages rise to 2% and 5%, respectively, if they are assessed based on capital expenses (CapEx) instead of revenues.

It's worth pointing out that these figures do not constitute a comprehensive analysis of the portfolio due to the lack of data for certain asset classes (investments in the financial sector or in funds managed by third-party managers). It's also important to highlight that only a few of the investments are eligible for the taxonomy (and thus eligible for alignment) due to several reasons: exposure to entities not subject to the taxonomy regulation (i.e. non-European entities) or sectors not covered by the taxonomy. This investment eligibility rate, based on revenues, reaches 3% for pension plans and VMBOs and 7% for the insurance business.

1. CaixaBank Management Report. (VidaCaixa Taxonomy, pp. 551-560)

CLIMATE-FOCUSED COMPENSATION

VidaCaixa has a **Compensation Policy** whose general principles state that "total compensation is aimed at driving behaviours that ensure long-term value creation and sustained results over time" and that "it's consistent with sustainability risk management, with targets linked with this aspect included in the variable compensation structure, bearing in mind the assigned responsibilities and duties".

In accordance with this principle, the Policy states that "the creation of a variable compensation structure aims to link the compensation of VidaCaixa's professionals with the targets, sales strategy and risk management and integration, including the sustainability risks that the Entity considers and manages. In this regard, the **variable compensation structure includes**, where applicable, **criteria for the proper integration of sustainability risks in the strategy and management**".

The **sustainability measurement indicators integrated into the annual variable compensation structure** that applies to all employees, including the CEO, are as follows:

- **Mobilisation of sustainable finance:** this metric is a variable part of the targets for the entire workforce and is related to the commitment of the CaixaBank Group's Strategic Plan to become a benchmark for sustainability in Europe.

  Sustainable finance is measured through the gross increase in assets under management (AuM) at VidaCaixa, in products classified under articles 8 and 9 under the SFDR[1], particularly products that promote environmental and/or social characteristics and/or have sustainable investment as their objective, both including climate issues.

  One of the indicators of promotion for products classified under article 8 is that the carbon intensity of the fund must be lower than that of its traditional index. Therefore, this is an indirect climate risk mitigation tool. In contrast, in the case of article 9, these products have sustainable investment as their objective, including investment in environmentally sustainable activities.

For the purpose of determining the award of variable compensation for the aspect described above, once the financial year has ended, the results of each metric will be compared with the target value and, depending on the level of compliance, the variable compensation to be received will be calculated by applying the relevant scales of levels of achievement, using the weighting assigned to each indicator, based on the target value.

[1] SFDR: Regulation on Sustainability Disclosures in the Financial Services Sector, which defines article 8 products as those that promote environmental and social aspects, and article 9 products as those that have sustainable investment as their objective.