



CAIXA GERAL DE DEPÓSITOS, S.A.

# SUSTAINABILITY POLICY

JULY 2023



## SUSTAINABILITY POLICY

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The Sustainability Policy defines the governance model, guiding principles and specific activities, as well as the main players and their respective responsibilities, in the management of Sustainability at Caixa Geral de Depósitos, S.A and the Group Entities covered.

The Sustainability Policy is an internal CGD regulation, with corporate scope and applicable to all Employees in the performance of their duties.

## FRAMEWORK

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Sustainability is a critical issue for society, and companies, particularly financial institutions, play a key role in pursuing it, as evidenced by the expectations of the different stakeholders (customers, employees, investors, suppliers, supervisory authorities, third sector entities).

In fact, **financial institutions are called upon to contribute to sustainable development**, which is the subject of the 2030 Agenda, adopted by the United Nations General Assembly, and the inherent Sustainable Development Goals, established worldwide considering three dimensions: economic, social and environmental. The European Union is also committed to “development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”

With this in mind, European and national legislation and regulations have been requiring companies to integrate and consider in their business strategies and operations sustainability issues, which are considered to be environmental and climate factors; social and human rights issues; and governance issues, including labor and anti-corruption issues.

**In addition to scrupulous compliance with legal and regulatory requirements, CGD subscribes to voluntary commitments which help to align its activity with its sustainability objectives.**

**Sustainable development represents both a challenge and an opportunity to continuously improve management processes, mitigate risks and identify new ways of responding to customer needs, creating value with a positive impact on society and achieving competitive business advantages.**

## SUSTAINABILITY GOVERNANCE MODEL

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- **BOARD OF DIRECTORS**

The Board of Directors is responsible, among other things, for defining the general policies of CGD and its controlled or group companies, as well as approving the strategic plan, plans and budgets, under the terms defined in the Articles of Association and Internal Regulations.

- **GOVERNANCE COMMITTEE**

The Governance Committee is responsible for supporting and advising the Board of Directors on matters related to the governance of CGD and the CGD Group, namely in the areas of Sustainability, Social Responsibility and Sustainable Financing.

- **EXECUTIVE COMMITTEE**

The Executive Committee is responsible for the day-to-day management of sustainability matters, in accordance with the delegation of powers decided by the Board of Directors.

- **SUSTAINABILITY COMMITTEE**

As the advisory body to the Executive Committee that supervises management and guides decisions on the implementation of the Sustainability Strategy, this Committee operates from a corporate perspective, covering the CGD Group's Branches and Subsidiaries, with the powers, composition and frequency of meetings established in the Service Order on Delegated Boards and Committees.



- **CORPORATE SUSTAINABILITY AREA**

It is a specialized structure exclusively dedicated to sustainability, ensuring the coordination of programs, initiatives and systems, in conjunction with the various State Budgets and CGD Entities.

- **FIRST-LINE DIRECTORS OF THE OTHER STRUCTURAL BODIES (SB)**

As sustainability issues are transversal to the Institution's activity, it is the responsibility of all CGD's SBs to ensure, within their sphere of action, the initiatives and procedures that enable compliance with the strategies, policies and standards applicable in this area.

- **MANAGEMENT AND SUPERVISORY BODIES OR SENIOR MANAGEMENT OF CGD ENTITIES**

The administrative, supervisory or top management bodies of CGD Entities (e.g. Branch General Directors) are responsible for ensuring alignment with the corporate strategy, policies, programs and initiatives covered by these Entities.

- **SUSTAINABILITY OFFICERS**

CGD Entities that are not part of the domestic perimeter must appoint a Sustainability Officer, who must have adequate material and human resources available to carry out their duties.

- **CGD ENTITIES' SUSTAINABILITY INTERLOCUTORS**

In CGD Entities that are part of the domestic perimeter and are therefore integrated into CGD's sustainability strategy, a Sustainability Interlocutor should be appointed, who may accumulate other functions.

## PRINCIPLES OF ACTION

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The approach to sustainability is structured taking into account environmental, social and governance factors, recognizing the importance of balancing these aspects in order to create long-term value:

- **Environmental aspect:** CGD's fundamental commitments are to adopt a proactive attitude and measures to prevent pollution and to continuously improve environmental performance, in addition to complying with compliance obligations.
- **Social aspect:** CGD must develop activities that favor the equity and well-being of Employees, and foster social, digital and financial inclusion, the promotion of education and knowledge in society, as well as support for culture and the social economy. CGD seeks to support the communities in which it operates and to measure the social impact of its social responsibility activities.
- **Governance aspect:** The governance models adopted must be geared towards promoting efficiency, diversity and ethical, responsible and transparent performance and integrating sustainability issues into governance systems and relationships with clients, suppliers and the community.
- **Business and Products:** Commercial activity must be based on promoting the transition to a low-carbon economy and on taking environmental, social and governance factors into account when making decisions about credit, investment and the provision of financial products and solutions, in accordance with the strategies, policies and internal regulations defined.
- **Risk and Internal Control:** Risk management and internal control systems must integrate environmental, social and governance factors into decision-making, in accordance with the strategies, policies and internal regulations defined. CGD's activity is guided by compliance with the rules of ethics and conduct it has adopted, in addition to the legislation and regulations applicable to sustainability issues.
- **Reporting and Disclosure of Sustainability Information:** When reporting and disclosing information related to sustainability, the best responsible communication practices must be adopted, in addition to compliance with applicable legislation and regulations. The departments involved in sustainability communication and reporting are guided by the principles established in the Code of Conduct regarding the provision of information on CGD's activity in a truthful, clear, relevant and up-to-date manner. The provision of sustainability-related information on products and services must enable the Customer to make a free and considered choice,



taking into account the principles of identification, truthfulness, transparency, balance and clarity, as laid down in the Code of Conduct.

## SUSTAINABILITY MANAGEMENT ACTIVITIES

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Although sustainability issues cut across all of CGD Group's operations, there are activities specifically related to the management of these matters.

### STRATEGY AND ACTION PLANS

Within the scope of the sustainability strategy, lines of action are established, covering the environmental, social and governance dimensions, for which specific initiatives and actions are defined.

These measures include defining strategy monitoring objectives related to the business and commercial activity, adopting key indicators, allocating those responsible for the initiatives and establishing the respective timetable.

Actions and initiatives should address the principles of action and take into account the different challenges and opportunities for sustainable development.

### VOLUNTARY COMMITMENTS

The adhesion, implementation, follow-up and monitoring of Voluntary Commitments have specific procedures that must be followed by the departments involved

### STAKEHOLDER INVOLVEMENT

Listening to stakeholders makes it possible to identify their main expectations regarding CGD's activities, address them in business and sustainability strategies and contribute to identifying material issues, mitigating exposure to risks and identifying new opportunities for improvement and building transparent and trusting relationships with stakeholders.

### MATERIALITY ASSESSMENT

- It makes it possible to identify and prioritize the most relevant environmental, social and governance issues;
- It must be carried out in accordance with the legal and regulatory requirements in force, as well as taking into account best practices and international benchmarks;
- The results of this assessment contribute to the development of the sustainability strategy and the structuring of the sustainability report.

### COMMUNICATION AND REPORTING

Sustainability reporting takes into account the expectations of stakeholders and the materiality assessment carried out. CGD communicates and reports on sustainability through various internal and external channels, such as:

- (A) The annual sustainability report, included in the Annual Report and Accounts;
- (B) CGD's institutional website, where the most relevant initiatives are publicized;
- (C) The institutional use of social networks and media dissemination.

### TRAINING

CGD provides specific training on sustainability for the various levels of the organization, including the governing bodies, with a view to acquiring or strengthening the skills needed to carry out their duties.



## INDICES AND EXTERNAL ASSESSMENTS

There are various indices that make it possible to rate a company's sustainability performance. The entities that manage these indices gather data on environmental, social and governance performance, using questionnaires and/or publicly available information, and assign a classification, notation or rating.

Responding to the sustainability indices is optional.

## FINAL PROVISIONS

With the entry into force of this Policy, the previous Sustainability, Community Involvement and Environmental Policies are revoked.

