

MAIN ASPECTS AND IDENTIFICATION OF IMPACTS, RISKS AND OPPORTUNITIES OF THE DOUBLE MATERIALITY ANALYSIS

MATERIAL ASPECTS: Relationship with and impact on the business

The main material issues for CaixaBank include:

CYBERSECURITY

Cybersecurity is one of CaixaBank's priorities in light of increasing internet activity (the rise in the number of vulnerabilities, spread of ransomware at large corporations, attacks on critical infrastructure, greater automation and the commercialisation of cybercrime and cyber fraud). As a financial institution, CaixaBank is a top target for cybercriminals. A successful cyberattack could cause financial losses, disrupt services, damage our reputation and lead to legal repercussions. In order to mitigate these risks, CaixaBank invests in advanced security systems, proactive risk management and raising cybersecurity awareness amongst employees. Placing a priority on cybersecurity safeguards confidentiality of customer data, ensures regulatory compliance and sustains confidence amongst concerned parties. Moreover, it improves business resilience, protecting against disruptions possibly affecting customer service. CaixaBank upholds its commitment to remaining alert and adapting its security measures to combat emerging cyber threats.

VALUE PROPOSITION, RESPONSIBLE MARKETING AND CUSTOMER SATISFACTION

The value proposition, responsible marketing and customer satisfaction have a very high impact on CaixaBank, being fundamental for performance in terms of cost, revenue and risk. In terms of cost savings, the value proposition, responsible marketing and customer satisfaction can save CaixaBank a lot of costs and time in terms of errors and misunderstandings that can arise in the offer of products and services appropriate to the needs of customers. Effective communication from bank staff, for example, to inform about the conditions and requirements of credit applications, can reduce the likelihood of costly mistakes. In terms of revenue generation, a clear and transparent offering of products and services can help generate revenue for the bank. If customers clearly understand the bank's products and services, they are more likely to purchase them, which, in turn, will increase the bank's revenue and customer satisfaction. In relation to the reduction of operational risks, the issue is important since it can reduce operational risks with direct impacts on the financial performance of the company, for example, if a customer does not clearly understand the terms and conditions of a loan or a bank account, there may be failures in payment processes, which could damage the bank's reputation and create risk management problems. Also, in relation to regulatory compliance, responsible marketing and transparency with regulators can reduce CaixaBank's exposure to financial and legal risks, as offering products and services in a transparent way can help to comply with regulations and ethical standards. If communicated in an unclear or misleading manner, the bank could face fines or regulatory penalties, affecting its profitability.

ENVIRONMENTAL FINANCING AND INVESTMENT SOLUTIONS

Environmental investment and financing solutions are strategic for CaixaBank's business. By offering sustainable products and providing ESG solutions, CaixaBank contributes to transitioning towards a carbon-neutral economy, in line with the Sustainable Development Goals. The risks associated with this material aspect mostly concern possible reputation damage for CaixaBank due to financing possibly controversial environmental projects or sectors with a huge environmental impact. From a financial perspective, the risk for the company lies in financing operations that may generate no returns. For this reason, CaixaBank applies exclusionary environmental and social criteria to its investment decisions and financing, and fosters dialogue with stakeholders to identify and manage risks and opportunities linked to the environment, caring for the planet and society.

IMPACTS OF MATERIAL ASPECTS

Impact assessment and metrics

The main impacts linked to material aspects for CaixaBank include:

Impact 1 -> CONTRIBUTING TO CLIMATE CHANGE ADAPTATION OR MITIGATION THROUGH ENVIRONMENTAL FINANCE AND INVESTMENT OPERATIONS.

The impact is seen in most bank products and services (over 50%).

The environment, society and consumers/end users are affected by trading activities related to environmental financing and investment solutions, and decarbonisation in both financing and investment operations.

Environmental financing and investment solutions alongside decarbonisation in financing and investment operations are particularly important for external stakeholders. These initiatives address the growing concern regarding environmental sustainability, reflecting CaixaBank's engagement with responsible practices. This concern creates apprehension for customers and investors, which impacts on how the bank is perceived and trusted. Effective management of these aspects not only impacts customer trust but also the company's financial health and reputation. It is therefore essential to hold a strong market position and satisfy and retain loyalty amongst investors and society as a whole. CaixaBank incentivizes practices that support ESG risk mitigation in light of the challenges linked to climate change, implementing proactive environmental and climate risk management in financing and investment portfolios. This reassures stakeholders with regard to the company's long-term resilience and viability. These solutions appeal to investors engaged with sustainability, respond to the growing demand for responsible investments and attracts investors who are seeking to support projects and industries that promote environmentally friendly practices. In this sense, the activity aligns with stakeholder expectations and foster long-term value creation. The efforts strengthen CaixaBank's standing as a sustainable market leader, ensuring it stands out amongst competitors and improving its reputation for sustainability amongst stakeholders.

In this vein, CaixaBank has generated the following impacts:

- Output metric: Financing of 11 projects for an amount of 1,527 million euros in 2024.
- Impact valuation¹: Generation of 14,533 GWh/year of green energy.
- Impact metric¹: 3,944 kt CO₂e/year of GHG emissions avoided.

Impact 2 -> INCREASED KNOWLEDGE OF CUSTOMERS ON FINANCIAL EDUCATION AND HEALTH

The impact affects all vulnerable customer groups that CaixaBank identifies within its financial culture plan. The initiatives carried out by CaixaBank in this area are highly relevant for external stakeholders.

Financial literacy aimed at specific groups

With the aim of increasing customers' financial knowledge, CaixaBank tailors and adapts the content and formats of financial literacy to the needs of different groups. Financial education is mainly aimed at vulnerable groups, understood as individuals whose personal, economic, educational or social circumstances, are in a particular situation of subordination, defencelessness or neglect, even if it is territorial, sectoral or temporarily, that prevents them from exercising their rights as consumers under conditions of equality.

Additionally, content is created for the general public and other stakeholders for whom a need has been identified. Specifically, the content is mainly directed at the following groups:

> Minors and young people

- > Senior citizens (Senior group)
- > People in situation of vulnerability
- > People with intellectual disabilities
- > Shareholders and the general public

These initiatives demonstrate CaixaBank's commitment and strategic alignment with the promotion of economic and social prosperity, focusing on three main areas: social and financial inclusion, employability and occupation, being a key player in the financial and personal well-being of an increasingly long-lived society. In this way, these actions align with stakeholder expectations and fosters long-term value creation.

As a result of CaixaBank's efforts in the different areas, the following figures will be highlighted in 2024:

- Output metric: 2,289 workshops for young people with 54,175 attendees.
- Impact valuation: 550 thousand customers between 12 and 17 years old.
- Impact metric: €1.8 M Bizum transactions via imaginTeens since its launch (March 2024).

¹ For more information about impact valuation data and impact metric, see 2024 Green Bond Report, available at: [SDG Bonds Report | CaixaBank](#)

Annex I Definitions of types of metrics

Production metric: refers to the direct environmental or social outcomes caused by a company's business activities in terms of operations, products/services, and/or supply chain. Metrics should be directly linked to the material topic.

Impact Assessment: Refers to the process of assessing and quantifying the external damages and/or benefits (positive/negative externalities) to society and the environment that are caused as a result of the direct environmental and/or social results generated by a company's activity. Business activities. Valuation usually involves quantitative or monetary approaches or a combination of these. Quantitative valuation measures the impact of negative/positive externalities on societal stakeholders (e.g. society at large, local communities, end users/consumers) and/or the environment (e.g. natural capital) in quantitative rather than monetary terms. Monetary valuations measure the impact of the negative/positive externality caused in monetary terms (e.g., the social costs of environmental damage caused).

Impact Metric: This is the quantitative metric (monetary or non-monetary) used to measure the impact caused on external society stakeholders or the environment. It converts the production metric into a quantitative impact metric by assessing the impact of external harm or benefit (negative/positive externalities) to society or environmental stakeholders. Note that the outcome and impact metrics are directly related to each other and to the material topic being assessed, but the metric/unit used cannot be the same.