

Banco Sabadell

Corporate Social Responsibility Report 2015



# CORPORATE SOCIAL RESPONSIBILITY REPORT 2015

Banco Sabadell carries on its business in a transparent, ethical way in response to society's concerns. Banco Sabadell accepts its role as a driver of the economy while also ensuring an appropriate impact on society and the environment. Through a rigorous professional approach, each and every person in the organization has a part to play in respecting and applying the corporate social responsibility principles and policies while also ensuring quality and transparency in customer service.

Principles and policies in the area of corporate social responsibility are aimed at responding to the expectations of stakeholder groups with the goal of establishing a long-term relationship and creating shared value.

In 2015, the Bank continued to develop its Corporate Social Responsibility Plan, articulated around five general principles: responsible banking, a healthy organization, environmental sustainability, a CSR-supportive culture and shared ethical values.

## Responsible banking

Banco Sabadell complies with the applicable laws as well as the policies, internal standards and codes of conduct that guarantee ethical and responsible conduct at all levels of the organization, using a range of tools throughout the organization and in all Group activities.

### Commitment to the long term, transparency and accessibility (G4-DMA, G4-PR3)

Establishing long-term links with customers means maintaining relationships with them based on closeness, frankness and trust. To this end, the bank has established mechanisms to ensure that all information provided to customers is transparent and that the products and services offered are adapted to the customer's needs at all times.

Before a product or service is marketed, the group's product approval process ensures that it fulfils the transparency and quality standards. The branch network offers consumers information about products and services in the form of pre-contractual information sheets; an account manager will also offer the consumer the necessary information to ensure that the latter understands the characteristics of the product and can, therefore, make an informed decision.

In 2014, the bank began process of simplifying its contracts to make them clearer, simpler and more transparent. In 2015, the contracts for credit and debit cards, demand accounts, distance banking, alerts and payment services were modified accordingly. The goal for 2016 is to extend the process to contracts for securities, deposits and mutual funds.

Prior to selling any complex financial product, the Bank carries out a suitability test to assess the customer's knowledge and experience so as to determine their ability to understand the nature and risks of the financial product they wish to acquire.

When giving customers investment advice or offering them portfolio management services, the Bank performs an appropriateness test to satisfy itself that the financial product or service is appropriate to the customer's investment objectives and financial situation.

These safeguards have been stepped up as a result of the bank's commercial transformation, as digitisation provides new capabilities and enhances the customer experience in important aspects such as trust, transparency and convenience.

In 2015, the bank produced two training videos on the difference between providing advice and selling products, to ensure that account managers are able to offer the most appropriate products to meet customers' needs at any given time. ([www.bancsabadell.tv/protege-a-tu-cliente/](http://www.bancsabadell.tv/protege-a-tu-cliente/) y [www.bancsabadell.tv/protege-a-tu-cliente-parte-2](http://www.bancsabadell.tv/protege-a-tu-cliente-parte-2))

Another vector that impacts commercial transparency and frankness is advertising. Since 2010, the Bank has been a member of Autocontrol (*Asociación para la Autorregulación de la Comunicación Comercial*) and, thus, has made a commitment to responsible advertising and to ensuring that all product information, contract terms and features are as advertised.

## Responsible investing and funding

(G4-DMA, FS7, FS8, FS11)

### Responsible investing

Banco Sabadell encourages responsible investing and offers customers a number of ethical investment products which also contribute to solidarity projects:

- Sabadell Inversión Ética y Solidaria, FI (a mutual fund)
- UrquijoCooperación SICAV (an investment company)
- Plan de Pensiones Ético y Solidario (a pension plan)
- Plan de Pensiones BanSabadell 21 F.P. (a pension plan)

Socially responsible investing products have a humanitarian bias since they donate a portion of management fees to NGOs.

#### T1 Socially responsible investing

	Sabadell Inversión Ética y Solidaria FI	SabadellUrquijo Cooperación SICAV	Plan de Pensiones Ético y Solidario
Characteristics of the investment	Ethical and solidarious	Ethical and solidarious	Ethical and solidarious
Supervision of securities selection criteria	Ethics committee	Ethics committee	Ethics committee
Assets (euro) 2015	48,168,760	5,858,608	21,173,340
Assets (euro) 2014	37,474,140	4,361,000	16,354,405
Number of investors/shareholders	414	125	1,526
Donation to NGO (% of management fee)	36.84%	50.00%	33.33%
Amount paid in 2015 (euro)	171,253	31,665	106,713
Amount paid in 2014 (euro)	54,831	35,577	62,642
NGOs that benefited in 2015	-Caritas Española (Alimentos para todos) -Caritas Española (Economía solidaria) -Fundación Padre Garralda (Horizontes Abiertos) -Casa Comunidad Orden Hospitalaria San Juan de Dios (Albergue San Juan de Dios) -Fundación Proclade -Asociación Cesal -Dentistas sin fronteras -Fundación síndrome de Down -Fundació Privada Catalana Comptal -Manos Unidas -Fundación Entreculturas (Fe y Alegría)	-Obra Benéfico Social Nen de Déu  -Hospital San Juan de Dios de la Orden Hospitalaria Hermanos San Juan de Dios - Provincia Bética  -Effetá Madre Micaela	Intermón Oxfam

Banco Sabadell also markets other investment products such as Plan de Pensiones BanSabadell 21 F.P., which manages 7,860,570 euro for the Finance Ministry Civil Servants' Orphan Fund, to which it charges a fee below the market rate, and the BS Ahorro Futuro savings plan, which donates 0.7% of management and administration fees to NGO Manos Unidas.

BanSabadell Pensiones EGFP, S.A., a pension fund operator, has adopted the United Nations Principles for Responsible Investment in the "investment manager" category. Those principles cover social, environmental and governance criteria in management policies and practices.

### The Equator Principles (G4-DMA, G4-EC7)

For a financial institution, it is a priority to identify, prevent and mitigate the risks associated with its business. In addition to financial risks, Banco Sabadell takes account of social and environmental risks in its structured finance deals and corporate loans. To this end, Banco Sabadell adopted the Equator Principles in September 2011. Based on the policies, standards and guidelines of the International Finance Corporation (IFC), the Equator Principles are a set of standards developed to ensure that social and environmental matters receive the utmost attention when funding large projects. Since then, the Bank has applied the Equator Principles in all new structured finance deals amounting to 10 million dollars or more, and corporate loans amounting to 100 million dollars or more. Projects are classified as A, B or C in accordance with the IFC standard; all category A and B projects include a social and environmental evaluation reviewed by an independent expert.

(G4-DMA, FS11)

In 2015, Banco Sabadell provided more than 1,101 million euro in structured finance. It signed 12 projects that include the Equator Principles, 42% of which involved renewable energy.

Banco Sabadell issues an annual report with additional data on these projects, which is posted on the website of the Equator Principles Secretariat.

Complementarily, the entire branch network has access to support documents to help analysts assess the environmental risk associated with an industry or company. All risks, including environmental risks, are set out in the risk assessment and are considered when a decision on a loan application is taken.

## Social commitment

Banco Sabadell contributes to the creation of wealth in the Spanish economy in a context of sustainable growth. Banco Sabadell also has a strong commitment to society, as manifested in specific initiatives, both educational and in response to emerging social needs.

Banco Sabadell wishes to address the impacts of its activity in the territories where it operates; at the same time, as a participant in the economy, it seeks to proactively share society's concerns. The bank's commitment to society is oriented towards a number of areas: job creation, combating corruption, environmental sustainability, financial education and social action.

### Job creation (G4-9, G4-EC8)

Banco Sabadell helps create employment through its own business and also by funding people and business projects that create jobs, thereby creating prosperity in the territories where it operates. In 2015, Banco Sabadell directly employed 26,090 people and paid more than €1,457 million in wages and social welfare contributions. As reported in the media, Banco Sabadell was one of just two Spanish banks that created net employment in 2015.

T2 Contribution to society (G4-DMA,G4-EC1,G4-EC7)		2015
<b>Direct economic value generated(€'000)</b>		<b>5,461,410</b>
Net sales plus revenues from financial investments and sales of assets (includes gross income and capital gains on sales of assets)		5,461,410
<b>Direct economic value distributed(€'000)</b>		<b>2,696,469</b>
Personnel expenses (includes social welfare costs)		1,457,341
Payments to suppliers (1)		1,018,008
Corporate income and other taxes		133,650
Shareholders: Dividends (2)		81,418
Investment in community and cultural programmes		6,052
<b>Economic value retained(€'000)</b>		<b>2,764,941</b>

(1) The amount of purchases from suppliers is calculated in line with the resolution dated 29 January 2016 of the *Instituto de Contabilidad y Auditoría de Cuentas* on disclosures in the notes to financial statements regarding the average period taken to pay suppliers in commercial transactions.

(2) Figures for 2015 include flexible supplementary remuneration in the form of shares (see Note 3 to the 2015 Consolidated financial statements)

## **Business ethics and fighting corruption (G4-DMA, G4-HR9)**

Banco Sabadell views ethics as a core corporate value and works actively to combat corruption. Since February 2005, Banco Sabadell has been a signatory to the 10 Principles of the United Nations Global Compact, thereby making an explicit commitment to fight corruption in all its forms.

For a financial institution, it is of critical importance to avoid being used for money laundering or to finance terrorism. For this reason, the Bank and its subsidiaries have taken a number of measures and established due diligence rules and procedures to guard against risk when accepting customers and in the ongoing monitoring of customer relationships. A person is appointed to handle these issues at all foreign offices and all domestic and international branches; they report regularly to the Compliance Committee on any issues relating to corruption and money laundering. To date, 98% of Banco Sabadell staff have received training on preventing money laundering and blocking terrorist finance.

The bank also takes great care to supervise loan applications and accounts held by political parties, and applies rigorous customer acceptance procedures. The bank does not contribute to any political party or to any persons holding public office or to related institutions.

To ensure transparency, all donations to NGOs and charitable organizations are analysed and assessed by the bank's Sponsorship Committee or the Board of Trustees of the Foundation on the basis of the principles laid down in the bank's community support policy. The accounts of the Banco Sabadell Foundation are audited by external auditors.

Banco Sabadell also has a policy that requires employees to explicitly reject gifts, rewards or personal favours offered by customers or suppliers that might constrain or condition their ability to make decisions.

## **Financial education (G4-DMA, G4-EC8)**

In 2011, Banco Sabadell became party to an agreement with the Spanish Banking Association (AEB), Spain's National Securities Market Commission (CNMV) and the Bank of Spain to carry out a programme of activities as part of the National Financial Education Plan. The aim of the Plan is to help the general public become better educated in financial matters by providing people with the basic skills and tools to manage their financial affairs in a well-informed, responsible way. The plan conforms to the recommendations and principles of the Organization for Economic Co-operation and Development (OECD). The group's website offers a direct link to the [www.finanzasparatodos.es](http://www.finanzasparatodos.es) site, where visitors will find a set of information sheets providing basic advice on household finances, investment, etc.

Banco Sabadell is a member of the Spanish Banking Association (AEB) working group on financial education, which was established in 2015. The group meets every two months with the aim of sharing best practices in financial education and implementing joint actions within the framework of financial education week.

### **For children**

Each year, the Bank holds a drawing competition for children with the title "What's money for?" This initiative invites kids and adults to think together about key issues such as money and the importance of saving; Sabadell donates €1 to UNICEF for each drawing that is submitted. The materials come with a teachers' guide written with the help of educators and teaching experts.

### **For young people**

- [EFEC](#)  
Banco Sabadell participates in the Financial Education in Catalan Schools (EFEC) programme. The initiative covers 20% of all schools in Catalonia and aims to help schoolchildren learn how to handle money and understand the basics of financial management.
- [Your Finances, Your Future](#)  
This programme was conducted from 9 to 13 March 2015 at over 100 schools throughout Spain; about 6,500 young people participated. This initiative was in collaboration with the AEB and the Junior Achievement Foundation in the framework of the European Money Week, which took place simultaneously in 31 European countries. Banco Sabadell participated in 15 programmes with a total of 30 volunteers in 11 cities across the country

<b>T3 Volunteers</b>		<b>2015</b>	<b>2014</b>	<b>2013</b>
Number of volunteers	EFEC	120	108	37
	JA	30	-	-
Number of beneficiaries	EFEC	16,550 (*)	12,771	6,596
	JA	405	-	-
Hours taught	EFEC	637	645	236
	JA	651	-	-

(\*) Overall scope of the programme

### **Personal finance**

The bank offers customers a Personal Finance tool which gives them access to full details of their income and expenditure, organized by category, enabling them to manage their household finances.

### **For seniors**

Banco Sabadell launched an advertising campaign entitled "How long are we going to live?", organized around four full-length talks in which four highly regarded scientists seek to answer that question. The scientists set out reasons why life expectancy in Spain is set to increase significantly in the future. Given this foreseeable trend, the Bank invites viewers to think about the need to plan for retirement. The initiative is complemented by a guide entitled "How to build the future day by day", which raises awareness about the need to save for retirement.

### **For SMEs**

Banco Sabadell, AMEC, Arola, CESCE, Esade and Garrigues launched a programme for SMEs called "Export to grow" in order to support them in the process of internationalization as a means of overcoming the crisis. The programme provides companies with a range of learning mechanisms and channels: a practical guide to foreign trade, thematic videos, "pills for process improvement", and case studies of internationalization by SMEs. In 2015, nine seminars for business were attended by close to 1,000 people.

### **Assistance in cases of mortgage default (*G4-DMA, G4-EC7, G4-S01, G4-S02*)**

Banco Sabadell has delegated to Solvia Sociedad Gestora Vivienda Social S.L (SOGEVISO), a company created in 2015, the task of managing and administering affordable/social housing.

Banco Sabadell maintains the measures it established to ensure housing solutions for customers who are most affected by the crisis and are at risk of social exclusion. Where a customer is unable to pay their mortgage, the Bank works with them to look for solutions that will help them to overcome any temporary difficulties and avoid foreclosure: adjusting the loan's conditions to the borrower's ability to pay, extending loan terms, establishing grace periods or reviewing the interest rate are just some of the options that are considered and applied. The Bank has taken possession of 4,384 properties in lieu of the mortgage, amounting to 716 million euro in total.

Where a mortgage is foreclosed, the Bank does not undertake forcible eviction proceedings. In 78% of repossessions, the property involved was already unoccupied. In the remaining cases, where a family is at risk of social exclusion, the bank considers the most appropriate solution for the occupants and offers the customer the option of staying in the home, or moving to another, for an affordable rent.

A total of 195 mortgage foreclosure proceedings have been halted under the provisions of Royal Decree Act 1/2013 since it came into force. Repossession proceedings have been halted on the Bank's own initiative on 367 occasions, of which 297 were resolved by the signature of a lease at an affordable rent; the other 70 cases are being considered with a view to setting the rent.

At the end of the year, the Banco Sabadell Group had 4,858 homes let at reduced rents to customers facing financial hardship as a result of mortgage foreclosure, repossession in lieu of payment, or irregular occupancy.

In 2015, the bank confirmed its support for the Code of Good Banking Practice to mitigate the effects of indebtedness and facilitate the rehabilitation of debtors at risk of social exclusion; it approved 450 mortgage restructuring agreements and 13 cases of repossession in lieu of payment.

Also in 2015, the bank increased the number of homes allocated to the Social Housing Fund ("FSV") and signed amendments to the agreement to relax the eligibility requirements for FSV housing and allow the reduced rents payable by occupants of homes that were repossessed or assigned in lieu to be covered by FSV rules. The 400 homes contributed by Banco Sabadell to FSV had an 82% occupancy rate.

(G4-DMA, G4-EC7, G4-SO1, G4-SO2)

The bank also assigned 98 properties to 50 charitable and not-for-profit organizations with a mandate to assist and support the underprivileged and the needy.

To address these policies with the right information, Banco Sabadell is in regular contact with charities and other organizations (Caritas, ICAV, IGVS, Ofideute, local social services, etc.), as well as *Plataformas de Afectados por la Hipoteca* (an organization that supports people with mortgage difficulties), central government and local authorities. Banco de Sabadell is also a member of several working groups created by autonomous regional governments and municipalities to address social emergencies in housing.

### **Equality, integration and work-life balance (G4-DMA)**

#### **Equality**

Banco Sabadell guarantees equality of opportunity in all areas of employee relations: recruitment, training, promotion and working conditions (including remuneration). The commitment in each of the aspects of this list is set out in the equality plan, human resources policy and Code of Conduct.

##### Human resources policy – key principles:

- Respecting people's dignity
- Fair and competitive remuneration
- Truthful, transparent information
- Lasting cooperation (long term)

In 2010, Banco Sabadell adopted an Equality Plan aimed at avoiding all types of employment discrimination between women and men, responding both to its own principles and also to the requirements of Organic Law 3/2007. The Equality Plan's steering committee, which consists of employee and bank representatives, meets twice per year to monitor progress and compliance with the Plan.

In 2014, Banco Sabadell signed a cooperation agreement with the Spanish Ministry of Health, Social Services and Equality on adapting measures to increase the presence of women in executive positions and management committees. This commitment seeks to actively ensure equality and to recognize and value women's merits and capabilities in internal training, hiring and promotion processes. Under the agreement, Banco Sabadell aims for 18% of executive positions to be held by women by the end of the four-year plan; in the first year, it had already attained 17% in Spain.

T4 Equality	2015	2014	2013
% of employees who are women (1)	56%	50%	50%
% of employees promoted who are women (2)	56%	56%	55%
% of managerial positions held by women (3)	22%	17%	28%
No. of nationalities of employees in Spain (2)	34	34	34

(1) Figures calculated for the group's total workforce. Figures for 2015 include TSB from July onwards.

(2) Figures for 2013 include BMN from the acquisition date (1 June 2013). They do not include Banco Gallego or Lloyds.

(3) Figures for 2014 and 2015 refer to Senior Management, General Management, Corporate Directors and the Top 300.

#### **Integration**

Banco Sabadell promotes employee diversity and integration in the workplace and non-discriminatory recruitment policies. The Group takes measures to adapt job briefs where needed. The Bank also assists employees with paperwork in their dealings with municipal, regional and national governments, thus helping to improve employees' well-being outside the strictly professional sphere.

Banco Sabadell fulfils the requirements of Spain's Integration of People with Disabilities Act ("LISMI") through other avenues such as procuring services and supplies from special employment centres for the disabled. In 2015, a total of 254 employees had some form of disability.

#### **Work-life balance (G4-DMA)**

Employees are provided with a series of benefits agreed by Banco Sabadell and union representatives in relation to work-life balance, often in excess of the legal requirements. All employees have been informed of these benefits and full details are available on the intranet, the employee's online guide, and on the Bank's website.

The benefits include:

- Shorter working hours (paid or unpaid, or for breastfeeding)
- Unpaid leave (maternity, or to care for a relative)
- Special leave
- Paternity leave
- Flexitime

T5 Work-life balance	2015	2014	2013
Employees with shorter working hours	361	348	337
Employees on paternity leave	413	412	321
Employees taking breastfeeding leave	496	560	435

Figures refer to the workforce in Spain

Figures for 2013 include BMN from the acquisition date (1 June 2013). They do not include Banco Gallego or Lloyds.

Employees who take leave for maternity or to care for a family member are entitled to return to their own job if the leave is less than twelve months; if the period is between 12 and 24 months, they are entitled to return to a similar position.

### Talent management (G4-DMA, G4-LA10)

Talent management is a strategic priority of Banco Sabadell, as a response to the organisation's growth and development, the aim being to enhance the employees' performance and implicate them in the organisation's numerous forward-looking projects.

In 2015, the role of Human Resources Business Partner (HRBP) was created. This new function, reporting to the strategic talent unit, advises and has decision-making capacity with regard to planning and managing specific human resources needs in each area of the business; in parallel, the HRBP liaises with employees to address queries and the need for advice in all aspects of their function.

In 2015, as part of its commitment to talent management, Banco Sabadell selected 47 young people from among over 4,000 candidates to participate in the Talent Graduate Programme; each year, the programme selects high-potential recent graduates for a career at the bank, starting with a specific two-year plan designed to put them on a career path to become executives of the bank.

### Training (G4-L49)

In the area of employee training, during 2015 Banco Sabadell developed a learning model that is adapted to each employee's needs and focused on his/her growth and professional development. Notable components of this new model include:

- A new, more personalised and flexible method for learning English
- The Commercial School is focused on the transformation and sustainability of the Business Development Programme
- The "Grow Up" programme for branch managers is focused on developing leadership skills
- The BS Business School digital platform was enhanced in 2015 as a channel for executive value and development that seeks to give them the big picture and reap synergies with other executives

T6 Training, by employee category and gender (hours)	Men	Women	Average
Clerical staff	15.7	16.5	16.2
Technical staff	20.7	22.9	22.0
Management (*)	20.1	30.7	21.8
Average	<b>20.1</b>	<b>21.8</b>	<b>21.0</b>

(\*) Figures refer to Senior Management, General Management, Corporate Directors and the Top 300

Figures for the workforce in Spain

Additionally, as part of its commitment to lifelong learning, the bank continued to support the LAUDE programme, under which 250 employees received training in a number of areas in 2015. Under LAUDE, the

University of Barcelona grants credit for the bank's internal training programmes, leading to degree programmes depending on the courses and the employees' functions.  
 These qualifications include: the Higher Course in Banking Products and Services, Expert in Financial Advisory Services, Expert in Commercial Banking, and Expert in Bank Branch Management.

#### **Key human resources data (G4-9, G4-10, G4-LA1)**

Banco Sabadell orients its policies on relations with employees towards the goal of being the "Best place to work"

#### **T7 Number of employees**

	2015			2014		
	Men	Women	Total	Men	Women	Total
Employees in Spain	8,446	8,423	16,869	8,373	8,220	16,593
Employees in other countries	3,133	6,088	9,221	375	561	936
Total group workforce	11,579	14,511	26,090	8,748	8,781	17,529
Breakdown by gender (%) (*)	44.38%	55.62%	100%	49.91%	50.09%	100%
Equivalent average workforce(*)			21,879			17,760

(\*) Figures for 2015 calculated using the group's workforce (including TSB from July)

#### **T8 Workforce breakdown by age, gender and region**

WORK FORCE	2015					
	Spain		International network		Global	
Age (years)	Men	Women	Men	Women	Men	Women
18-29	176	181	35	32	211	213
30-39	2,299	3,528	218	242	2,517	3,770
40-49	2,873	3,263	102	126	2,975	3,389
>50	3,098	1,451	77	165	3,175	1,616
Subtotal	<b>8,446</b>	<b>8,423</b>	<b>432</b>	<b>565</b>	<b>8,878</b>	<b>8,988</b>
<b>Total (excluding TSB)</b>	<b>16,869</b>		<b>997</b>		<b>17,866</b>	
TSB			2,701	5,523		
			8,224			
<b>Subtotal with TSB</b>	<b>8,446</b>	<b>8,423</b>	<b>3,133</b>	<b>6,088</b>	<b>11,579</b>	<b>14,511</b>
<b>Total</b>	<b>16,869</b>		<b>9,221</b>		<b>26,090</b>	

The average age calculated for the entire Group workforce (including TSB) is 43.5 years.

T9 Number of employees per category (G4-LA12)	Men	Women	Total
Clerical staff	1,714	4,814	6,528
Technical staff	6,559	8,332	14,891
Middle management (1)	2,816	1,228	4,044
Management (2)	490	137	627
<b>Total</b>	<b>11,579</b>	<b>14,511</b>	<b>26,090</b>

Figures are based on the group workforce (including TSB)

(1) Figures refer to employees whose title includes the word "director"

(2) Figures refer to Senior Management, General Management, Corporate Directors and the Top 300

**T10 Type of contract (G4-10)**

	2015		2014	
	Men	Women	Men	Women
Indefinite	8,823	8,934	8726	8759
Temporary	55	54	22	22
<b>Total</b>	<b>17,866</b>		<b>17,529</b>	

Figures refer to the group workforce (excluding TSB)

Most hires through temporary work companies are to cover sporadic needs or to fill a temporary vacancy (due to maternity or other leave)

**T11 New hires (G4-LA1)**

WORK FORCE	2015		2014		2013	
	Spain	International	Spain	International	Spain	International
Age (years)	Men	Women	Men	Women	Men	Women
18-29	97	87	17	21	114	108
30-39	147	141	86	82	233	223
40-49	72	61	18	12	90	73
>50	8	8	7	5	15	13
Subtotal	324	297	128	120	452	417
<b>Total</b>	<b>621</b>		<b>248</b>		<b>869</b>	

Figures include the international network (excluding TSB)

**T12 Remuneration (G4-DMA, G4-LA13)**

	2015		2014		2013	
	Fixed	Total	Fixed	Total	Fixed	Total
Clerical staff	Men	30,533.78	<b>29,408.67</b>	31,075.52	<b>29,740.34</b>	
	Women	28,751.87		28,976.46		
Technical staff	Men	45,980.04	<b>42,070.72</b>	45,682.54	<b>41,869.52</b>	
	Women	37,942.18		37,710.99		
Management (*)	Men	118,002.02	<b>114,358.18</b>	115,377.65	<b>111,334.48</b>	
	Women	97,218.65		91,538.71		

(\*) Figures refer to Senior Management, General Management, Corporate Directors and the Top 300

Remuneration does not include variable compensation

Figures refer to the group workforce (excluding TSB)

**T13 Staff turnover (G4-LA1)**

WORK FORCE	2015		2014		2013	
	Spain	International	Spain	International	Spain	International
Age (years)	Men	Women	Men	Women	Men	Women
18-29	14	17	4	5	18	22
30-39	54	200	33	40	87	240
40-49	41	81	10	13	51	94
>50	154	41	3	14	157	55
Subtotal	263	339	50	72	313	411
<b>Total</b>	<b>602</b>		<b>122</b>		<b>724</b>	

Turnover was 1.02% in 2015

Turnover: number of cases of termination and voluntary leave of absence/total workforce x 100

Figures refer to the group workforce (excluding TSB)

T14 Absenteeism (G4-LA6)	2015	2014
Periodic prevalence index	4.33%	4.18%
Absenteeism rate (*)	2.44%	2.41%

Figures calculated for the workforce in Spain

(\*) Seriousness Index = days lost/total working days.

Under Spanish law, employers are not entitled to know the specific reason for sick leave.

## Environmental sustainability

Banco Sabadell has an environmental policy in place and promotes a commitment to the environment globally. The Bank's environmental policy is to minimize the potential impacts of processes, facilities and services, to manage effectively the environmental threats and opportunities inherent in its business, and to promote a global commitment to the environment. The Bank adheres to a number of global initiatives, including the Equator Principles and the Carbon Disclosure Project (CDP).

The environment policy pursues the following objectives:

- Minimize the potential environmental impacts of processes, facilities and services.
- Effectively manage the environmental risks and opportunities inherent in the business.
- Promote a global commitment to the environment

## Combat climate change (G4-DMA, G4-EN19)

Banco Sabadell is a signatory to the Carbon Disclosure Project (CDP) and has adopted the commitment to combat climate change. In 2015, it set a new goal of reducing CO<sub>2</sub> emissions by 3% between 2015 and 2020. To achieve this, each year the bank will implement energy efficiency measures at its facilities and in its services. This policy is particularly relevant with regard to procuring electricity from renewable sources, which resulted in a 74% decline in scope 2 emissions with respect to 2014.

## T15 Corporate emissions Inventory (G4-EN15, G4-EN16, G4-EN17 G4-EN18)

(Tn CO <sub>2</sub> )	2015	2014
Scope 1 / Direct activities: emissions generated by company installations and vehicles	600	552
Scope 2 / Indirect activities: emissions due to electricity consumption in Spain	3,321	12,890
Scope 3 / Other indirect activities: emissions derived from business trips (plane, train and car)	3,862	3,143
<b>Total CO<sub>2</sub> emissions generated by the group in Spain</b>	<b>7,783</b>	<b>16,585</b>
<b>Total CO<sub>2</sub> emissions per employee</b>	<b>0.5</b>	<b>1</b>

Data refer to group operations in Spain; the figures for the fourth quarter are estimates.

The bank publishes a more exhaustive disclosure of emissions under each scope

## Environmental management

Banco Sabadell has an environmental management system (EMS) which was set up in 2006 in accordance with the ISO 14001:2004 standard and has been certified for six Central Services buildings. 15.10% of employees in Spain work in one of the six certified Central Service buildings. In parallel, the EMS has been progressively adapted to the bank's other workplaces in Spain.

Year after year, Banco Sabadell works to improve the eco-efficiency of its facilities and reduce the environmental impacts of the services it provides to customers. Some of the main eco-efficiency measures are detailed below:

## Energy consumption (G4-DMA, G4-EN3, G4-EN5, G4-EN6)

- 71.8% of the group's electricity is purchased from Nexus Renewables, which guarantees that 100% of its energy is sourced from renewables. Since April 2015, 99% of electricity is procured from that supplier.
- Most branch offices are equipped with centralized lighting and climate control systems. Central Services buildings have lights with presence detectors and LED bulbs.
- Low wattage lamps and billboard lighting systems with daylight switching systems.
- Energy recovery climate control systems are installed in Central Service buildings and larger branches.

- The branch network uses "thin client" computers which consume 90% less energy. These computers began to be installed at Central Services buildings in 2015.

#### **T16 Total energy consumption**

		2015	2014	2013
<b>Total energy consumption</b>	MWh	99,389	104,419	102,991
<b>Total energy consumption (*)</b>	GJ	357,802	375,909	370,768
<b>Electricity supplied by Nexus Renovables (guaranteed to be from renewable sources)</b>	%	72%	26%	95%

(\*) The figure reported in this report is correct (not 97,642 MWh, as disclosed in the directors' report)

Data refer to group operations in Spain. BMN figures are included as from the integration date (12 October 2013).

Banco Gallego and SabadellSolbank, S.A.U. (formerly Lloyds Bank International) are not included and contain estimations for the last quarter of the year.

Nexus Renovables supplies electricity that is 100% from renewable sources, based on the "Report on electricity guarantees of origin and labelling for 2014" published by Spain's National Energy Commission.

#### Materials consumption (G4-DMA, G4-EN1, G4-EN2)

- Banking services are available to customers 24 hours a day via remote access channels, ATMs, telephone banking, email or social media. Customers can access 100% of their correspondence electronically.
- Branches are equipped with digital tablets and systems such as Instant Selling to capture customers' signatures. In 2015, their use made it possible to eliminate over 30 million printed forms. There are plans to process more transactions via tablets in the future and progressively eliminate the use of paper.
- The conventional paper used by the bank is FSC-certified chlorine free and produced to ISO 9001 and ISO 14001 standards. All the group's printers are configured for duplex printing by default.

<b>T17 Paper consumption</b>	2015	2014	2013
Paper consumption (tons)	1,469	1,039	939
Use of recycled paper (%)	7%	12%	14%
Use of recycled paper at central services facilities (%)	84%	81%	89%

Data refers to group-wide consumption of A4 sized paper in Spain. For commercial reasons, recycled paper is not used for documentation delivered to customers. Data for 2013 include BMN as from the integration date (12 October 2013). Data for Banco Gallego and SabadellSolbank, S.A.U. (formerly Lloyds Bank International) are not included.

#### Water consumption (G4-DMA, G4-EN8)

- Water consumption is limited to sanitary use and watering gardens.
- Toilet cisterns and taps are fitted with water-saving mechanisms.
- The new CBS building in Sant Cugat del Vallès has a pond to collect rainwater for irrigation, and a garden with drought-resistant native plants.

#### **T18 Water consumption**

	2015	2014	2013
Water consumption ('000 m3)	590	636	567

Data refers to group-wide water consumption in Spain. Estimates of water consumption were based on the cost of water in Spain (2013; National Institute of Statistics)

#### Business trips (G4-DMA, G4-EN17, G4-EN30)

- Business travel is subject to considerations of environmental protection and cost rationalization; preference is given to the means of transport that emit the least CO<sub>2</sub>.
- The group encourages videoconferencing for meetings and one-on-ones, and the use of virtual learning communities.

**T19 Business trips**

	2015	2014	2013
(million km)	35	29	27

The data refer to business trips, not to commutes. Includes trips by plane, train, private vehicles and the group fleet. Data for 2013 include BMN as from the integration date (12 October 2013). Banco Gallego and SabadellSolbank, S.A.U. (formerly Lloyds Bank International) are not included.

**Waste management (G4-DMA, G4-EN23)**

- In all group premises, used paper is treated as confidential waste for shredding and 100% is recycled through authorized waste managers. Toner cartridges are collected and re-used in partnership with Ricoh and the HP Planet Partners programme.
- Central Service buildings have facilities for waste separation at source (paper, packaging, organic matter and batteries).
- Surplus computer hardware or furniture at branches or workplaces due to be closed or merged are donated to local NGOs or non-profits.

**T20 Waste**

	2015	2014	2013
Paper and cardboard waste (tons)	819	883	594
Toner waste (tons)	22	15	17

Data refer to group-wide waste generation in Spain. Data for 2013 include BMN as from the integration date (12 October 2013), but exclude Banco Gallego and Lloyds.

In 2015, Banco Sabadell pilot tested the implementation of inkjet printers instead of laser printers at 52 branches in Spain. The project reduces energy and material consumption, resulting in a notably lower environmental impact.

**Promoting a sustainable energy model (G4-DMA, FS10, G4-EN27)**

Banco Sabadell promotes the development of sustainable energy through direct investment and as a lender for renewable energy projects.

In 2015, the bank lent 157,596,755 euro for renewable energy projects and, at year-end, it had funded 488.86 MW of installed capacity. This capacity consists mainly of photovoltaic installations. In addition to lending, Banco Sabadell provides advisory services for renewable energy projects.

The Bank also invests directly in the equity of renewable energy generation projects. Most of this business is carried on through Sinia Renovables, a wholly-owned subsidiary. At 2015 year-end, the bank retained its 10.5% stake in Haitong Infrastructure Fund – I.F.C.R. and also had stakes in 206 MW of installed capacity, of which 90 MW are attributable to the group.

**Suppliers (G4-DMA)**

The challenge of competitiveness requires a climate of cooperation between Banco Sabadell and its suppliers, whom it views as strategic partners. As a result, the bank has established protocols and rules to extend its commitment to socially responsible practices to the supply chain. In 2015, Banco Sabadell paid €1,018 million to suppliers of goods and services.

Those protocols and mechanisms encompass the entire cycle of the bank's relationship with suppliers: from selection through evaluation up to procurement.

- Supplier selection (G4-12, G4-HR6, G4-HR11, G4-S09, G4-S010)

The Procurement Department has a website on which suppliers who have been awarded a procurement contract must register and accept the Supplier Code of Conduct, which includes:

- The UN Universal Declaration of Human Rights.
- The International Labour Organisation agreements.
- The UN Convention on the Rights of the Child.
- The principles contained in the United Nations Global Compact, which the bank adopted in February 2005.

Suppliers must also state if they are certified to ISO 14001, EMAS, EFQM, and indicate the characteristics of the products which they make available to the bank (recycled, ecological or reusable). Once selected, suppliers are informed of the bank's environment policy.

- Supplier evaluation (*G4-LA14, GR-LA15*)

Significant suppliers to the group, i.e. those that bill over €250,000, and those classed as critical (i.e. monopolies) are assessed each year against a number of environmental and quality yardsticks, as well as labour compliance and Social Security payments.

- Procurement process (*G4-EN32, G4-EN33*)

Suppliers are assessed not just in economic terms but also in aspects relating to the environment (ISO 14001, EMAS or EFQM certification), CSR and whether they are classified as special work centres.

Banco Sabadell regularly checks that supplier documentation is up to date so as to ensure compliance with the conditions on the basis of which they were selected; a system of monthly alerts is in place.

Unit managers have autonomy to acquire certain services without passing through the Procurement Dept. where they do not entail a risk and are financial services and consulting firms. All these exceptions are set out transparently in the organisation's Procurement Manual.

- International network (*G4-EC9*)

Procurements by the international network are decentralised, are arranged 100% with local suppliers, and relate only to products used exclusively in the branches' day-to-day operations.

### **Shared values and cultural action (*G4-DMA, G4-EC7*)**

Banco Sabadell nurtures and gives recognition to people's talent and transformative potential through such awards as the UPF emprèn Prize for entrepreneurial initiatives by students, Imagine Cultura Barcelona, and the ESADE Alumni-Banco Sabadell Prize for Best Business Start-up.

The bank also works to channel the capacity for innovation shown by employees, customers and consumers so as to add value to society as a whole. In this regard, the BStartup 10 high performance programme focuses on young Spanish digital companies with great potential; the Bank invests €100,000 each in ten chosen start-ups in order to drive their growth and internationalization.

Banco Sabadell's social action policy is underpinned by the Group's commitment to society and to value creation. The bank conducts its activities in this area through the Banco Sabadell Foundation. The Foundation maintains its system of awards, such as the SabadellHerrero Award for Economic Research and the Banco Sabadell Award for Biomedical Research.

The group accounts for and reports its social action initiatives in line with a number of international standards (LBG, SAM). In 2015, Banco Sabadell and its foundations spent €6,052,046.41 on social action projects.

#### **T21 Social action**

Type of investment ( <i>G4-EC8</i> )	2015	Areas of Action
<b>Monetary</b> (Value of monetary contribution)	85%	1. Cooperation and solidarity 4.68%
<b>Time</b> (Value of employees' time)	15%	2. Social integration 3.92%
<b>Reason for investment</b>	<b>2015</b>	3. Medical research and healthcare 6.98%
<b>Social investing</b> Strategic long-term commitment to working with the community	69%	4. Training and education 19.86%
<b>Sporadic contributions</b> Sporadic support for a wide range of social causes in response to the needs of, and requests from, charitable and social organizations	9%	5. Culture 38.76%
<b>Initiatives aligned with the business</b> Initiatives of social interest focused on directly enhancing the company's business	22%	6. Economic development 9.26%
		8. Other 16.54%
		Total 100.00%

## Employee engagement and volunteer programme

With every year that passes, Banco Sabadell is pleased to observe the high level of solidarity among its employees. All initiatives, both old and new, are supported by a growing number of men and women in our teams in the territories where we operate. This was again the case in 2015, as evidenced in Sabadell Life, the Banco Sabadell website that agglutinates all the actions involving employees in the fields of health, solidarity and sport, through talks, courses and volunteer initiatives. Below are some of the main activities conducted in 2015.

- Trailwalker, organised by IntermonOxfam: a total of 324 people represented Banco Sabadell in the 2015 event, making us the company with the largest number of employees taking part and raising more than €90,000 for Oxfam's water management projects in the Sahara.
- The first edition of *Sant Jordi Solidari* (Solidarity on St. George's Day), organised by Banco Sabadell at its central services buildings in Sant Cugat, Sabadell and Barcelona, with the participation of such institutions as Escuela Taiga (special-needs education), the Sabadell rescue shelter, Aldeas Infantiles and the order of Saint John of God, among others, garnered a high level of employee participation in raising funds.
- Banco de Alimentos (food bank), with which Banco Sabadell works due to its commitment to helping people at risk of social exclusion, collected over a ton of food from bank employees.
- Fundación Magone focuses on children at risk of exclusion; Banco Sabadell employees collected toys and school materials at Christmas and also sponsored 475 "letters to Santa", responding with a gift.
- COACH project, a corporate volunteer initiative to improve the employability of young people at risk of social exclusion through coaching and mentoring by bank employees.
- FeinaambCor, a project conducted in cooperation with Caritas, which enabled six people aged over 45 to be hired by the bank.
- La Marató de TV3; 120 Banco Sabadell employees worked as volunteers in this telethon to raise funds for cardiovascular disease.
- Banc de Sang i Teixits (blood and tissue bank); employee donations of blood continue to rise.
- In 2015, Banco Sabadell also participated in a number of corporate volunteer programmes that involve entrepreneurial activities by seniors (retirees of the bank) in cooperation with a number of foundations and NGOs: *Fundación Emprén*, *Fundación Princesa de Girona*, *Proyecto Cecrem*, *ADEIT Generalitat Valenciana*, *Fundación Novia Salcedo*, *Fundación Cares-Codec*, *Mes que Emprenedors-COTM* and *Proyecto Hombre de reinserción laboral*. Through the Social Business Mentoring programme and in cooperation with Fundación SHIP2B, 17 Banco Sabadell executives mentored in the B-ready accelerator programme for social startups.
- Also, through the corporate volunteer programme, the bank continued to support financial education initiatives, more details of which are given elsewhere in this report.

## Principles and policies (*G4-15, G4-56, G4-57, G4-58*)

Beyond strict compliance with the law, Banco Sabadell attaches great importance to establishing policies and mechanisms that ensure ethical and responsible behaviour by the entire organisation, to which end it has a number of tools that address all the Group's businesses.

- Code of Conduct: applies generally to all persons directly involved with the Group, whether as employees or as members of its governing bodies. The Code of Conduct includes a Code of Ethics and Rules of Conduct for the Asset Management Division, referring to real estate management.
- The Internal Code of Conduct in connection with the securities market.
- Suppliers' Code of Conduct.
- Ethics and human rights policy.
- Corporate social responsibility policy.
- Policies related to stakeholders (shareholders and investors, customers, suppliers, employees, the environment and the community).

G4-45, G4-56, G4-57, G4-58

- Plan to foster genuine equality between women and men at Banco Sabadell.
- Code of conduct governing the use of social media.

As the main guarantor of that commitment and the driver of related initiatives and policies, the bank has a Corporate Ethics Committee, whose chair and five members are appointed by the Board of Directors to advise it on the adoption of CSR-related policies. Any employee may contact the committee confidentially to raise any issue regarding business ethics in the organization.

### **Agreements and commitments (*G4-15, G4-16*)**

Banco Sabadell's corporate social responsibility is also visible in its support of international initiatives and in the form of certifications and qualifications.

- A signatory to the United Nations Global Compact (2005)
- A signatory of the Equator Principles (2011)
- A signatory of the United Nations Principles for Responsible Investment in the "investment manager" category (2011)
- A signatory of the Carbon Disclosure Project and CDP Water Disclosure (2012)
- Party to an agreement between the Spanish Banking Association (AEB), the CNMV and the Bank of Spain to carry out a programme of activities as part of the National Financial Education Plan (2011)
- Member of Autocontrol, a self-regulatory body on business communication (2010)
- Adoption of the Code of Good Banking Practice (2012)
  
- Inclusion in sustainability indices: FTSE4Good and FTSE4Good IBEX (2008) and Euronext Vigeo Eurozone 120 (2013)
- European Foundation for Quality Management (EFQM) Gold Seal of Excellence (2006)
- ISO 9001 certification for 100% of the Group's financial processes and activities in Spain (2002)
- Environmental management systems at six central services buildings certified to ISO 14001 (2007)
- LEED-NC (New Construction) certification for the new Centro Banco Sabadell building (2013)
- Member of the EU GreenBuilding Programme for the sustainable construction of its Polinyà logistics centre (2009)

## Annexes to the 2015 CSR report

### Materiality and sustainability context

In the framework of defining its CSR plan, which was approved in 2013, Banco Sabadell conducted a materiality survey to identify its stakeholder's expectations and prioritise its efforts in those issues and areas that offer greatest value for the company and for society, both internally and externally.

The materiality survey consisted of: (G4-18)

- 1- Identifying and establishing stakeholder engagement mechanisms (*see table of main stakeholder engagement mechanisms*).  
Customers and consumers, employees, shareholders and investors, suppliers, society, regulators and supervisors.
- 2- Identifying issues of importance to stakeholders and to the organization on the basis of its activity and geographical footprint.
- 3- Prioritization of lines of action.

Once the key issues had been identified, they were prioritized on the basis of their importance to both stakeholders and the organization, considering also their impact on the value chain and the organization's geographical footprint. The process resulted in the definition of the 14 sub-programmes and 5 strategic pillars of the 2013 CSR Master Plan. The list of issues, and their relevance and priority, are reviewed each year to ascertain whether there have been any material changes and to make any necessary adjustments.

- 4- CSR reporting.

The key issues that are identified are then validated and reviewed internally, and published in the bank's annual public disclosures.

**1- Identification of stakeholders and mechanisms of engagement with them (G4-24, G4-25, G4-26, G4 -27)**

Stakeholders	Main participation mechanisms
<b>Clients and consumers</b>	Satisfaction survey Suggestion platforms Focus group Positioning and reputation studies Platforms to support people affected by foreclosures Consumer associations Customer Care Service (SAC)
<b>Employees</b>	Employee portal Workplace satisfaction surveys Psycho-social surveys Suggestion platforms Employee service office Performance evaluation 360° assessment Equality committee
<b>Society and the Environment</b>	Environment mailbox Platforms to support people affected by foreclosures RFP for social projects
<b>Shareholders and investors</b>	Roadshows Investor questionnaires Participation in the General Shareholders' Meeting Annual Reports
<b>Suppliers</b>	Supplier portal Satisfaction surveys Cooperation on projects
<b>Regulators and supervisory bodies</b>	Engagement with supervisory bodies (Bank of Spain, CNMV, etc.) Circulars
<b>All / Shared value</b>	Fora and events Committees Specialised magazines

**2- Identification of material issues (G4-19)**

To identify issues that are material to stakeholders and the entity on basis of its geographical footprint, the following sources were consulted and analysed:

- Rating agency reports.
- Reports by NGOs, trade unions and other associations.
- Legislative trends and international initiatives.
- Benchmarking of competitors' best practices.
- Monitoring of opinions on social media and the mass media.
- Surveys and internal research into stakeholder perceptions through stakeholder engagement mechanisms. (Customer satisfaction surveys, employee satisfaction surveys, consultations on the environment, supplier satisfaction surveys).
- Focus group for the design of financial products.

### **3- Prioritizing material issues**

In the framework of drawing up the CSR Master Plan, priority was given to the material issues found to be most relevant and important to stakeholders and the bank on the basis of their impact and value creation.

This work resulted in the definition of 5 main lines of work and 14 sub-programmes (Responsible Banking, Healthy Company, Environmental Sustainability, CSR Culture and Shared Value) that make up the strategy and approach.

### **4- CSR reporting**

All these key issues are reflected in the CSR disclosures and the annual report, with particular emphasis on the priorities established in the CSR master plan.

The entity publishes the progress with its master plan and the key management indicators, in line with the G4 Sustainability Reporting Guidelines (GRI G4).

#### **Identified relevant aspects (G4-20, G4-21)**

CSR Master Plan			
RESPONSIBLE BANKING	ATTRACTIVE COMPANY	ENVIRONMENTAL SUSTAINABILITY	SHARED VALUE
Business ethics Transparency towards customers Financial education programs Responsible investing and funding Job creation Fighting corruption Assistance in cases of mortgage default	Talent and career management Work-life balance measures Promoting equality and integration Promoting healthy habits Employee engagement and volunteer programme	Combat climate change Environmental management Financing and investing in renewable energy	Strategic alliances Entrepreneurship support Innovation Supply chain management Community investment
Relevant issues related to the business			
Profitability and solvency Control and risk management Corporate governance balanced and defined International expansion Sales Transformation Customer experience Multibrand and multichannel strategy Customer service quality Cutting-edge technology and innovation			

## Drafting the CSR report (*G4-22, G4-23, G4-28, G4-29, G4-31, G4-32*)

Since 2003, the bank has published Corporate Social Responsibility information each year with the annual report, highlighting key events in the year, compliance with commitments and targets for the following year. This year, the CSR information was drafted in accordance with the Global Reporting Initiative's new Sustainability Reporting Guidelines (GRI G4) and the Financial Services Sector Supplement, in line with the 'Comprehensive' option.

In 2015, the CSR information was included in the Annual Report and the Corporate Social Responsibility report was verified by PricewaterhouseCoopers Auditores, S.L. in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (revised), with limited assurance.

Please send all queries, suggestions, comments and requests for information related to corporate social responsibility to rsc@bancsabadell.com.

### Scope of the information

The content of the Corporate Social Responsibility information corresponds to the period from 1 January to 31 December 2015; data from 2014 and 2013 is included for comparison. The CSR information is part of the Annual Report; it is published with the Report of the Directors and the Corporate Governance Report, and it is available on the corporate website.

### Process for defining CSR report content

The content of the report was guided by the principles of materiality, stakeholder engagement, sustainability context and completeness established by the Global Reporting Initiative's G4 guidelines.

In connection with the principles of materiality and stakeholder engagement, a materiality study was performed, as referred to in the section on Materiality and Sustainability.

The sustainability context was taken into account while seeking to present the entity's contribution to improving social, environmental and economic conditions, both locally and globally.

In line with the principle of completeness, efforts were made to ensure that the scope, coverage and timing of the information are optimal in order to reflect the social, environmental and economic impacts of the organization's activity in 2015. The information presented refers to the financial activity of the entire Banco Sabadell Group. In exceptional cases where the scope is different, this is indicated explicitly.

### Principles for defining report quality

In addition to the principles described above, the principles for defining CSR information quality were considered in order to achieve maximum transparency.

### Balance

Efforts were made to reflect both positive and negative aspects of the organization's performance. Additionally, comments are included to explain any positive or negative trends.

### Comparability

To enable comparative analysis of the data, the calculation methods and indicator scopes were kept unchanged. Where changes were made, the historical data was recalculated, or the reasons for not doing so are disclosed.

### Accuracy

Efforts were made to provide sufficient detail and accuracy in CSR information to enable stakeholders to assess the organization's performance. Where necessary, the content of the report was complemented with additional documents that are available on the bank's blog and website.

### Timeliness (*G4-30*)

The Annual Report containing the CSR information is published annually, providing data as of 31 December.

### Clarity

In line with this principle, the information is made available in a manner that is clear, understandable and accessible to stakeholders.

## **External verification (G4-33)**

The CSR disclosures in Banco Sabadell's 2015 annual report were verified by an independent expert. This review process was conducted in accordance with ISA 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (Limited Assurance Engagements). The independent review report is attached to this CSR report as an annex.

### **Reliability**

#### Review and audit

In the course of drafting and reviewing the CSR information, the supporting documentation and internal controls were reviewed to ensure the veracity of the information contained in the CSR report. The group's key financial figures presented in the report are audited as part of the audit of the consolidated financial statements by PricewaterhouseCoopers Auditores, S.L., whose report is presented together with a declaration of responsibility by the directors of Banco Sabadell in the Annual Report. The corporate governance data is published in the Corporate Governance Report approved by the Board of Directors and published by the Spanish National Securities Market Commission (CNMV).

All activities and processes performed by Banco Sabadell in Spain were audited in 2015 by Bureau Veritas Certification and the declaration of conformity with the ISO 9001:2008 standard was renewed.

Banco Sabadell's workplace safety system was audited in accordance with the legal requirements in 2015. The organization's environmental performance at its six certified central services buildings was audited in 2015 by Bureau Veritas Certification and declared to conform to the requirements of the ISO 14001:2004 standard. The data on the Group's environmental performance in Spain that is disclosed in the CSR information is drawn from the annual review of the environmental management system by the Environment Committee. The data on investment in society by the Banco Sabadell Foundation is drawn from the respective financial statements audited by PricewaterhouseCoopers Auditores, S.L. and presented on the group website.

GRI 4 Context Index indicators**Nomenclature**

**Content Index**  
Banco Sabadell

June 2016  
Service

**AR: Annual Report 2015**

[https://www.grupbancsabadell.com/en/XTD/INDEX/?url=https://www.grupbancsabadell.com/en/INFORMACION\\_ACCIONISTAS\\_E\\_INVERSORES/INFORMACION\\_FINANCIERA/INFORMES\\_ANUALES/?menuid=39324&language=en](https://www.grupbancsabadell.com/en/XTD/INDEX/?url=https://www.grupbancsabadell.com/en/INFORMACION_ACCIONISTAS_E_INVERSORES/INFORMACION_FINANCIERA/INFORMES_ANUALES/?menuid=39324&language=en)

**CGR: Corporate Governance Report 2015**

<https://www.grupbancsabadell.com/en/XTD/INDEX/?url=/en/INICIO/GOBIERNO CORPORATIVO Y POLITICA DE REMUNERACIONES>

**ARR Annual Report on directors' remuneration 2015**

<https://www.grupbancsabadell.com/en/XTD/INDEX/?url=/en/INICIO/GOBIERNO CORPORATIVO Y POLITICA DE REMUNERACIONES>

**CSRR: Annual CSR report**

<https://www.grupbancsabadell.com/en/XTD/INDEX/?url=/en/RSC/RESPONSABILIDAD SOCIAL CORPORATIVA/?menuid=72578&language=en>

**SFS: Statutory financial statements 2015**

[https://www.grupbancsabadell.com/en/XTD/INDEX/?url=https://www.grupbancsabadell.com/en/INFORMACION\\_ACCIONISTAS\\_E\\_INVERSORES/INFORMACION\\_FINANCIERA/INFORMES\\_ANUALES/?menuid=39324&language=en](https://www.grupbancsabadell.com/en/XTD/INDEX/?url=https://www.grupbancsabadell.com/en/INFORMACION_ACCIONISTAS_E_INVERSORES/INFORMACION_FINANCIERA/INFORMES_ANUALES/?menuid=39324&language=en)

**GENERAL STANDARD DISCLOSURES**

	<b>Reference</b>	<b>Omissions</b>	<b>Description of indicator</b>
<b>STRATEGY AND ANALYSIS</b>			
G4-1	AR 9-11		Statement from the most senior decision-maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.
G4-2	AR 9-11		Provide a description of key impacts, risks, and opportunities.
<b>ORGANIZATIONAL PROFILE</b>			
G4-3	AR 13		Name of the organization.
G4-4	AR 30		Report the primary brands, products, and services.
G4-5	<a href="https://www.grupbancsabadell.com/en/">https://www.grupbancsabadell.com/en/</a>		Report the location of the organization's headquarters.
G4-6	AR 14		Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.
G4-7	AR 26		Report the nature of ownership and legal form.
G4-8	AR 29		Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).
G4-9	CSRR 4,9 AR 5		Report the scale of the organization

G4-10	CSRR 9-10	<ul style="list-style-type: none"> <li>a. Total number of employees by employment contract and gender.</li> <li>b. Total number of permanent employees by employment type and gender.</li> <li>c. Total workforce by employees and supervised workers and by gender.</li> <li>d. Total workforce by region and gender.</li> <li>e. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors.</li> <li>f. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).</li> </ul>
G4-11	100% of employees are covered by collective bargaining agreements	Report the percentage of total employees covered by collective bargaining agreements.
G4-12	CSRR 13	Describe the organization's supply chain.
G4-13	SFS 39-42	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain
G4-14	CGR 29-31	Report whether and how the precautionary approach or principle is addressed by the organization. Approach adopted to address any environmental impacts.
G4-15	CSRR 15-16	<ul style="list-style-type: none"> <li>List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.</li> <li>Distinguish between voluntary, non-binding and binding.</li> </ul>
G4-16	CSRR 16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization is a member

#### IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES

G4-17	SFS 170-173	<ul style="list-style-type: none"> <li>a. List all entities included in the organization's consolidated financial statements or equivalent documents.</li> <li>b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.</li> </ul> <p>The organization can report on this Standard Disclosure by referencing the information in publicly available consolidated financial statements or equivalent documents.</p>
G4-18	CSRR 17	<ul style="list-style-type: none"> <li>a. Explain the process for defining the report content and the Aspect Boundaries. (MATERIALITY ANALYSIS)</li> <li>b. Explain how the organization has implemented the Reporting Principles for Defining Report Content.</li> </ul>
G4-19	CSRR 18-19	List all the material Aspects identified in the process for defining report content.
G4-20	CSRR 19	For each material Aspect, report the Aspect Boundary within the organization.
G4-21	CSRR 19	For each material aspect, report the aspect boundary outside the organization
G4-22	CSRR 20	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.
G4-23	CSRR 20	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.

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**STAKEHOLDER ENGAGEMENT**

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G4-24	CSRR 18	Provide a list of stakeholder groups engaged by the organization.
G4-25	CSRR 18	Report the basis for identification and selection of stakeholders with whom to engage.
G4-26	CSRR 18	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.
G4-27	CSRR 18	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.

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**REPORT PROFILE**

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G4-28	CSRR 20	Reporting period (such as fiscal or calendar year).
G4-29	CSRR 20	Date of most recent previous report (if any).
G4-30	CSRR 20	Reporting cycle (annual, biennial, etc.).
G4-31	CSRR 20	Provide the contact point for questions regarding the report or its contents.
G4-32	CSRR 20,22	<ul style="list-style-type: none"><li>a. Report the 'in accordance' option the organization has chosen.</li><li>b. Report the GRI Content Index for the chosen option (see tables below).</li><li>c. Report the reference to the External Assurance Report, if the report has been externally assured. GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines.</li><li>d. Report the organization's policy and current practice with regard to seeking external assurance for the report.</li><li>e. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided.</li><li>f. Report the relationship between the organization and the assurance providers.</li><li>g. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.</li></ul>
G4-33	CSRR 21	<ul style="list-style-type: none"><li>a. Report the organization's policy and current practice with regard to seeking external assurance for the report.</li><li>b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided.</li><li>c. Report the relationship between the organization and the assurance providers.</li><li>d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.</li></ul>

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**GOVERNANCE**

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G4-34	CGR 7-12	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.
G4-35	CGR 21	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.
G4-36	CGR 14	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.

	Shareholders have access to an Electronic Shareholders Forum established for the purpose of facilitating communication between shareholders from the time notice is given of a Shareholders' Meeting until the Meeting is held. Shareholders wishing to exercise their right to information in connection with the Shareholders' Meeting may do so by e-mail to accionista@bancsabadell.com. Employees have the mailbox for the Corporate Ethics Committee, whose members are appointed by the Board of Directors.	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.
G4-37	CGR 11-14, 22-27	Report the composition of the highest governance body and its committees
G4-39	CGR 8-9, 20-21	Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).
G4-40	CGR 11, 14-15	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members
G4-41	CGR 28	a. Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders, including, as a minimum: <ul style="list-style-type: none"><li>• Cross-board membership;</li><li>• Cross-shareholding with suppliers and other stakeholders;</li><li>• Existence of controlling shareholder; and</li><li>• Related party disclosures.</li></ul>
G4-42	CGR 14-16	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.
G4-43	CGR 20	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.
G4-44	CGR 14-15	a. Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment. b. Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice.
G4-45	CGR 21,29-31 CSRR 16	a. Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes. b. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.

G4-46	CGR 31-33	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.
G4-47	CGR 25-26, 29-30	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.
G4-48	Secretary of the Board of Directors	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.
G4-49	Shareholders have access to an Electronic Shareholders Forum established for the purpose of facilitating communication between shareholders from the time notice is given of a Shareholders' Meeting until the Meeting is held. Employees have the mailbox for the Corporate Ethics Committee, whose members are appointed by the Board of Directors.	Report the process for communicating critical concerns to the highest governance body.
G4-50	Banco Sabadell has a Corporate Ethics Committee which reports to the Board of Directors twice yearly. Shareholders can raise questions and concerns to the Board of Directors during the annual Shareholders' Meeting.	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.
G4-51	ARR 2-4	a. Report the remuneration policies for the highest governance body and senior executives. b. Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.
G4-52	ARR 2-3, 19	Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.
G4-53	ARR 2	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.
G4-54	Information not currently available , Banco Sabadell will establish the mechanisms for reporting the informacio s in a medium term.	Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.

G4-55	Information not currently available , Banco Sabadell will establish the mechanisms for reporting the informacions in a medium term.	Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.
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#### ETHICS AND INTEGRITY

G4-56	CSRR 15-16	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.
G4-57	CSRR 15-16	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.
G4-58	CSRR 15-16	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.

#### SPECIFIC STANDARD DISCLOSURES

DMA and Indicators	Page	Omissions	Description of indicator
<b>CATEGORY: ECONOMIC</b>			
<b>Economic performance</b>			
G4-DMA	CSRR 4		Economic performance
G4-EC1	CSRR 4		Direct economic value distributed
G4-EC2	The entity is a signatory of the Carbon Disclosure Project and publishes extensive information each year about the risks and opportunities posed by climate change, its inventory of emissions and its reduction targets.		Financial implications and other risks and opportunities for the organization's activities due to climate change.
G4-EC3	Banco Sabadell has an employee pension plan to provide supplementary benefits in the event of retirement, permanent disability or death of beneficiaries or their beneficial rightholders.		Coverage of the organization's defined benefit plan obligations
G4-EC4	In 2015, Banco Sabadell obtained subsidies from Fundación Tripartida para el Empleo		Financial assistance received from government
<b>Market presence</b>			
G4-DMA	The entry-level salary for the lowest administrative position is 22,660.77 euro, whereas the minimum annual wage in Spain is 9,080.40 euro.		Market presence

G4-EC5	The entry-level salary for the lowest administrative position is 22,660.77 euro, whereas the minimum annual wage in Spain is 9,080.40 euro.	Ratios of standard entry-level salary, broken down by gender, compared to local minimum wage at significant locations of operation.
G4-EC6	94.35% of management staff in other countries is hired locally	Percentage of senior management at significant locations of operation that are hired from the local community.

***Indirect Economic Impacts***

G4-DMA	CSRR 5-7, 14	Indirect Economic Impacts
G4-EC7	CSRR 3-4, 6-7, 14	Development and impact of infrastructure investments and services supported
G4-EC8	CSRR 4-5, 14	Significant indirect economic impacts, including the extent of impacts

***Procurement Practices***

G4-DMA	CSRR 13- 14	Procurement Practices
G4-EC9	CSRR 14	Proportion of spending on local suppliers at significant locations of operation

**CATEGORY: ENVIRONMENT**

<b>MATERIALS</b>		
G4-DMA	CSRR 12	Materials
G4-EN1	CSRR 12	Material used by weight or volume
G4-EN2	CSRR 12	Percentage of materials used that are recycled input materials
<b>ENERGY</b>		
G4-DMA	CSRR 12	Energy
G4-EN3	CSRR 11-12	Internal energy consumption

G4-EN4	Information currently unavailable. In the long-term the Group will establish the mechanisms needed for the quantification of significant external energy consumption for their activities.	External energy consumption
G4-EN5	CSRR 11-12	Energy intensity
G4-EN6	CSRR 11-12	Reduction in energy consumption

G4-EN7	Information currently unavailable. The Group will establish in a medium-term the necessary mechanisms aiming to report the information.	Reductions in energy requirements of products and services
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G4-DMA	CSRR 12	Water
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G4-EN8	CSRR 12	Total water withdrawal by source
G4-EN9	All the water consumed by the group comes from the public mains.	Water sources significantly affected by withdrawal of water
G4-EN10	Not applicable. The Group has its headquarters and branches in urban areas , and the captured water is poured through the urban network. The CBS building has a cistern for collecting rainwater and greywater for watering plants but its volume is considered negligible compared to the total volume consumed by the organization.	Percentage and total volume of water recycled and reused
<b>EMISSIONS</b>		
G4-DMA	CSRR 11	Emissions
G4-EN15	CSRR 11	Direct greenhouse gas (GHG) emissions (Scope 1)
G4-EN16	CSRR 11	Energy indirect greenhouse gas (GHG) emissions (Scope 2)
G4-EN17	CSRR 11-13	Other indirect greenhouse gas (GHG) emissions (Scope 3)
G4-EN18	CSRR 11	Greenhouse gas (GHG) emissions intensity
G4-EN19	CSRR 11	Reduction of greenhouse gas (GHG) emissions
G4-EN20	Banco Sabadell does not have significant emissions of ozone-depleting substances, by weight.	Emissions of ozone-depleting substances (ODS)
G4-EN21	Banco Sabadell does not have significant emissions of NOx or SOx.	NOx, SOx, and other significant air emissions
<b>EFFLUENTS AND WASTE</b>		
G4-DMA	CSRR 13	Effluents and Waste
G4-EN22	No applicable.All branches are connected to the public sewer network	Total water discharge by quality and destination
G4-EN23	CSRR 13	Total weight of waste, by type and disposal method
G4-EN24	In 2015 there were no significant spills in Banc Sabadell facilities	Total number and volume of significant spills
G4-EN25	No applicable. All the waste generated by Banco Sabadell is managed by authorised external waste managers.	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel convention annex I, II, III and VIII, and percentage of transported waste shipped internationally

G4-EN26	Not applicable. All the activities are developed in urban environments	Identiti, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff
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#### PRODUCTS AND SERVICES

G4-DMA	CSRR 13	Products and services
G4-EN27	CSRR 13	Mitigation of environmental impacts of products and services

G4-EN28	Not applicable. The products sold by Banco de Sabadell , by their nature, are unrecoverable.	Percentage of products sold and their packaging materials that are reclaimed by category
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#### REGULATORY COMPLIANCE

G4-DMA	Banco Sabadell was not fined or sanctioned for any breach of environmental laws and regulations	Compliance
G4-EN29	Banco Sabadell was not fined or sanctioned for any breach of environmental laws and regulations	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.

#### TRANSPORT

G4-DMA	CSRR 12-13	Transport
G4-EN30	CSRR 12-13	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.

#### GENERAL

G4-DMA	Currently unavailable. The environmental expenses and investments are spread among several directions, in a medium term the group will establish measures for evaluation systems	General
G4-EN31	Currently unavailable. The environmental expenses and investments are spread among several directions, in a medium term the group will establish measures for evaluation systems	Total environmental protection expenditures and investments by type

#### SUPPLIER ENVIRONMENTAL ASSESSMENT

G4-DMA	CSRR 14	Supplier Environmental Assessment
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G4-EN34	Banco Sabadell has not received any complaints regarding environmental impact	Total number of grievances about human rights impacts filed, addressed and resolved through formal grievance mechanisms during the reporting period.
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#### CATEGORY: SOCIAL

##### SUB-CATEGORY: LABOUR PRACTICES AND DECENT WORK

###### EMPLOYMENT

G4-DMA	CSRR 7-8	Employment
G4-LA1	CSRR 9-10	Total number and average rate of new employee hires and turnover, by age group, gender, and region.
G4-LA2	All employees enjoy the same benefits, regardless of their working hours.	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.

G4-LA3	100% of employees who take maternity or paternity leave are able to return to work, except in the case of sabbatical or voluntary leave, for which rates of return are not recorded. They are entitled to return to the same position within 12 months, or to a similar position within 24 months. After 3 years, return depends on the existence of a vacancy.	Return to work and retention rates after parental leave, by gender.
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###### LABOUR/MANAGEMENT RELATIONS

G4-DMA	Banco Sabadell complies the established in the Worker's Statute	Labour/Management Relations
G4-LA4	30 days Established in the Workers' Statute	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.

###### OCCUPATIONAL HEALTH AND SAFETY

G4-DMA	An initial risk assessment is performed for each new work premises and all employees receive obligatory workplace health and safety training; there is also a safety plan, and a Report on Workplace Safety setting out safety activities in the company is published each year.	Occupational health and safety
G4-LA5	100% of employees in Spain are represented. The bank has five Health and Safety Committees	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes.
G4-LA6	CSRR 11	Rates and types of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.

G4-LA7	No workers are involved in occupational activities that have a high incidence or high risk of disease	Workers with high incidence or high risk of diseases related to their occupation
G4-LA8	An initial risk assessment is performed for each new work premises and all employees receive obligatory workplace health and safety training; there is also a safety plan, and a Report on Workplace Safety setting out safety activities in the company is published each year.	Health and safety topics covered in formal agreements with trade unions.

#### TRAINING AND EDUCATION

G4-DMA	CSRR 8-9	Training and Education
G4-LA9	CSRR 8	Average hours of training per year per employee, by gender, and by employee category.
G4-LA10	CSRR 8-9	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.
G4-LA11	93.66% of employees receive an annual performance review. 93.9% men and 93.4% women	Percentage of employees receiving regular performance and career development reviews, by gender and employee category

#### DIVERSITY AND EQUAL OPPORTUNITY

G4-DMA	CSRR 7,9	Diversity and Equal Opportunity
G4-LA12	CSRR 9	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.

#### EQUAL REMUNERATION FOR WOMEN AND MEN

G4-DMA	CSRR 10	Equal Remuneration for Women and Men
G4-LA13	CSRR 10	Ratio of basic salary and remuneration of women to men, by significant locations of operation

#### SUPPLIER ASSESSMENT FOR LABOUR PRACTICES

G4-DMA	CSRR 14	Supplier Assessment for Labour Practices
G4-LA14	CSRR 14	Report the percentage of new suppliers that were screened using labour practices criteria.
G4-LA15	CSRR 14	Significant actual and potential negative impacts for labour practices identified in the supply chain, and actions taken.

#### LABOUR PRACTICES GRIEVANCE MECHANISMS

G4-DMA	Banco Sabadell has a number of channels whereby employees may raise queries or file grievances, such as the Employee Service Office, the Equal Opportunity Committee and the Corporate Ethics Committee. No significant fines or penalties were imposed on Banco Sabadell in connection with labour matters.	Labour Practices Grievance Mechanisms
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G4-LA 16	Banco Sabadell has a number of channels whereby employees may raise queries or file grievances, such as the Employee Service Office, the Equal Opportunity Committee and the Corporate Ethics Committee. No significant fines or penalties were imposed on Banco Sabadell in connection with labour matters.	Total number of grievances about labour practices filed, addressed and resolved through formal grievance mechanisms
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#### SUBCATEGORY: HUMAN RIGHTS

##### INVESTMENT

G4-DMA	The Code of Conduct for Suppliers is attached to contracts with suppliers and outsourcees.	Investment
G4-HR1	The Code of Conduct for Suppliers is attached to contracts with suppliers and outsourcees.	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening
G4-HR2	All employees are informed of the Group's Code of Conduct.	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained

##### NON-DISCRIMINATION

G4-DMA	AR 44	Non-discrimination
G4-HR3	No discrimination incidents were registered in 2015	Number of incidents of discrimination, and corrective actions taken

##### FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

G4-DMA	The Supplier Code of Conduct contains clauses on respecting freedom of association. The code is attached to contracts with suppliers.	Freedom of association and collective bargaining
G4-HR4	The Supplier Code of Conduct contains clauses on respecting freedom of association. The code is attached to contracts with suppliers.	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights

##### FORCED LABOUR

G4-DMA	CSRR 13	Forced labour
G4-HR6	CSRR 13	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced labour

##### ASSESSMENT

G4-DMA	CSRR 5	Assessment
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G4-HR9	CSRR 5	Percentage and number of operations that have been subject to human rights reviews and/or impact assessments
<b>SUPPLIER HUMAN RIGHTS ASSESSMENT</b>		
G4-DMA	CSRR 13	Supplier Human Rights Assessment
G4-HR10	All the bank's suppliers must sign a Supplier Code of Conduct, which contains clauses on respect for human rights	Percentage of new suppliers that were screened using human rights criteria.
G4-HR11	CSRR 13	Significant actual and potential negative human rights impacts identified in the supply chain, and actions taken
<b>HUMAN RIGHTS GRIEVANCE MECHANISMS</b>		
G4-DMA	There were no incidents of violation of human rights in the reporting year	Human Rights Grievance Mechanisms
G4-HR12	There were no incidents of violation of human rights in the reporting year	Number of grievances about labour practices filed, addressed and resolved through formal grievance mechanisms
<b>SUB-CATEGORY: SOCIETY</b>		
<b>LOCAL COMMUNITIES</b>		
G4-DMA	CSRR 6-7	Local Communities
G4-SO1	CSRR 6-7	Percentage of operations with implemented local community engagement, impact assessments, and development programmes
G4-SO2	CSRR 6-7	Operations with significant potential or actual negative impacts on local communities
FS13	AR 32-33	Access points in low-populated or economically disadvantaged areas.
FS14	AR 32-33	Initiatives to improve access to financial services for disadvantaged people.
<b>ANTI-CORRUPTION</b>		
G4-DMA	CSRR 5	Anti-corruption
G4-SO3	Every foreign branch and the domestic and international subsidiaries have a designated person in charge of periodically reporting corruption and money-laundering incidents to the compliance committee.	Number and percentage of operations assessed for risks related to corruption and material risks detected
G4-SO4	98% of group employees have completed the obligatory course on preventing money laundering and blocking terrorist finance.	Communication and training on anti-corruption policies and procedures
G4-SO5	There were no corruption incidents during the reporting year.	Confirmed incidents of corruption and actions taken

<b>PUBLIC POLICY</b>		
G4-DMA	The group does not make payments of any type to political parties	Public policy
G4-SO6	The group does not make payments of any type to political parties	Value of political contributions by country and recipient/beneficiary
<b>ANTI-COMPETITIVE BEHAVIOUR</b>		
G4-DMA	There were no monopolistic or anti-competitive practices in the reporting year.	Anti-competitive Behaviour
G4-SO7	There were no monopolistic or anti-competitive practices in the reporting year.	Total number of legal actions for anti-competitive behaviour, anti-trust and monopoly practices, and their outcomes.
<b>REGULATORY COMPLIANCE</b>		
G4-DMA	The bank was fined on six occasions for a total amount of 36,500 euro; three of the penalties were due to breaches in connection with customer data, with fines totalling 26,000 euro.	Compliance
G4-SO8	The bank was fined on six occasions for a total amount of 36,500 euro; three of the penalties were due to breaches in connection with customer data, with fines totalling 26,000 euro.	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.
<b>SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY</b>		
G4-DMA	CSRR 13	Supplier Assessment for Impacts on Society
G4-SO9	CSRR 13	Percentage of new suppliers that were screened using criteria for impacts on society.
G4-SO10	CSRR 13	Significant actual and potential negative social impacts identified in the supply chain, and actions taken
<b>GRIEVANCE MECHANISMS FOR IMPACTS ON SOCIETY</b>		
G4-DMA	Banco Sabadell did not receive any grievance for social impacts on the part of suppliers or any other group, or any grievances relating to impacts of transactions subject to the Equator Principles. Customers and users may contact the Customer Service Department (CSD) with any complaints or issues that have not been resolved satisfactorily at their local branch.	Grievance Mechanisms for Impacts on Society
G4-SO11	Banco Sabadell did not receive any grievance for social impacts on the part of suppliers or any other group, or any grievances relating to impacts of transactions subject to the Equator Principles. Customers and users may contact the Customer Service Department (CSD) with any complaints or issues that have not been resolved satisfactorily at their local branch.	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms

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**SUB-CATEGORY: PRODUCT RESPONSIBILITY**


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**PRODUCT AND SERVICE LABELING**


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G4-DMA	CSRR 2 AR 28	Product and Service Labeling
G4-PR3	CSRR 2	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements
G4-PR4	In 2015, Banco Sabadell did not have any breaches in connection with product and service labelling.	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.
G4-PR5	AR 28	Results of surveys measuring customer satisfaction

**MARKETING COMMUNICATIONS**


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G4-DMA	CSRR 2	Marketing communications
G4-PR6	Banco Sabadell did not commercialise banned or disputed products. Banco Sabadell has a Commercial and Product Technical Committee to oversee the process, which is also audited annually.	Sale of banned or disputed products
G4-PR7	Banco Sabadell is a member of Autocontrol. There were no breaches in 2015	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.

**REGULATORY COMPLIANCE**


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G4-DMA	The bank was fined on six occasions for a total amount of 36,500 euro; three of the penalties were due to breaches in connection with customer data, with fines totalling 26,000 euro.	Compliance
G4-PR9	The bank was fined on six occasions for a total amount of 36,500 euro; three of the penalties were due to breaches in connection with customer data, with fines totalling 26,000 euro.	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.

**CATEGORY: PRODUCT AND SERVICE-RELATED IMPACTS**


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*Product portfolio*


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G4-DMA	CSRR 3	Policies with specific environmental and social components applied to business lines (FS1)
G4-DMA	CSRR 3-4	Procedures for assessing and screening environmental and social risks in business lines (FS2)
G4-DMA	CSRR 3-4	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions (FS3)
G4-DMA	CSRR 3-4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines (FS4)
G4-DMA	CSRR 14	Interactions with clients/companies/investees/business partners regarding environmental and social risks and opportunities (FS5).

FS6	AR 82-83	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector.
FS7	CSRR 3	Monetary value of products and services designed to deliver a specific social benefit for each business line, broken down by purpose.
FS8	CSRR 3	Monetary value of products and services designed to deliver a specific environmental benefit for each business line, broken down by purpose.

#### ***Audits***

G4-DMA	CSRR 3-4	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures (FS9)
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#### ***Corporate activism***

G4-DMA	Banco Sabadell does not have formal voting policies with regard to social or environmental matters. However, it has an ethics committee whose members set the SRI policy	Voting polic(ies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting (FS12)
FS10	CSRR 13	Percentage or number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.
FS11	CSRR 3-4	Percentage of assets subject to positive and negative environmental or social screening

#### ***Product and service labelling***

G4-DMA	CSRR 2	Policies for the fair design and sale of financial products and services (FS15).
G4-DMA	CSRR 2	Initiatives to enhance financial literacy, by type of beneficiary (FS16).



*Free translation from the original in Spanish. In the event of a discrepancy, the Spanish language version prevails.*

**INDEPENDENT ASSURANCE REPORT  
ON CORPORATE SOCIAL RESPONSIBILITY INDICATORS**

To the Management of Banco de Sabadell, S.A.:

We have carried out our work to provide limited assurance on the Corporate Social Responsibility indicators contained in the appendix referred to the GRI G4 index of the 2015 Corporate Social Responsibility Report (hereinafter "CSR indicators") of Banco de Sabadell, S.A. and its corporate group (hereinafter "Banco Sabadell") for the year ended 31 December 2015, prepared in accordance with the general and specific standard disclosures proposed in the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI) version G4 (hereinafter "GRI G4 Guidelines") and its Financial Services Sector Disclosures.

**Responsibility of the Management of Banco Sabadell**

The Management of Banco Sabadell is responsible for the preparation, content and presentation of the Corporate Social Responsibility Report in accordance with the Comprehensive option of the GRI G4 Guidelines and the Financial Services Sector Disclosures. This responsibility includes designing, implementing and maintaining the internal control considered necessary to ensure that the CSR indicators are free of material misstatement due to fraud or error.

The Management of Banco Sabadell is also responsible for defining, implementing, adapting and maintaining the management systems from which the necessary information is obtained to prepare the CSR indicators.

**Our responsibility**

Our responsibility is to issue a limited assurance report based on the procedures that we have carried out and on the evidence that we have obtained. We have carried out our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (ISAE 3000) (Revised), "Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC).

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement. Therefore the assurance provided is also less.

The procedures carried out are based on our professional judgment and included enquiries, observation of processes, inspection of documentation, analytical procedures and tests of review, based on sampling, which have generally been as follows:

- Meetings with the personnel of several units of Banco Sabadell involved in the preparation of the Corporate Social Responsibility Report 2015.
- Analysis of the procedures used to compile and validate the data and information presented in the CSR indicators.

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R. M. Madrid, hoja 87.250-1, folio 75, tomo 9.267, libro 8.054, sección 3<sup>a</sup>  
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- Analysis of the adaptation of the CSR indicators of Banco Sabadell to the GRI G4 Sustainability Reporting Guidelines and to the Financial Services Sector Disclosures.
- Verification, through random sampling tests revisions, internal control tests and substantive tests on the information used to determine Banco Sabadell's CSR indicators. We have also verified whether they have been appropriately compiled from the data provided by Banco Sabadell's sources of information.

#### **Our Independence and Quality Control**

We have complied with the requirement of independence and other requirements of the Code of Ethics for Accountants issued by the International Ethics Standard Board for Accountants (IESBA), based on the main principles of integrity, professional competence and due care, confidentiality and professional conduct.

PwC applies International Standard on Quality Control (ISQC 1) and consequently, our firm has a global quality control system which includes policies and procedures on the compliance of ethical requirements, professional standards and applicable statutory requirements.

#### **Limited Assurance Conclusion**

As a result of the procedures carried out and evidence obtained, nothing has come to our attention that causes us to believe that the CSR indicators of Banco Sabadell for the year ended 31 December 2015, contain significant errors or have not been prepared, in all material respects, in accordance with the GRI G4 Guidelines and the Financial Services Sector Disclosures.

#### **Use and Distribution**

Our report is issued solely for the Management of Banco Sabadell, in accordance with the terms and conditions of our engagement letter. We accept no responsibility to third parties other than the Management of Banco Sabadell.

PricewaterhouseCoopers Auditores S.L.

*nº Luz Castilla*

Mª Luz Castilla  
17 June 2016