

Corporate
and Social
Responsibility
REPORT
2021



//ABANCA

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ABOUT this report

102-49

For the purposes of this report:

» **«ABANCA»** makes reference to the company ABANCA Corporación Bancaria, S.A.

» **«ABANCA Group»** makes reference to ABANCA Corporación Bancaria, S.A. and all the companies comprising the ABANCA Corporación Bancaria Group, which may be consulted in the Group's consolidated financial statements.

Governing principles

This document offers detailed information pursuant to Law 11/2018, of 28 December, amending the Code of Commerce, the consolidated text of the Spanish Limited Liability Companies Law, approved by Royal Legislative Decree 1/2010, of 2 July, and Law 22/2015, of 20 July, on Auditing, non-financial information and diversity in Spain (hereinafter, Law 11/2018).

In this context, ABANCA includes the consolidated statement of non-financial information in the 2020 ABANCA Corporate and Social Responsibility Report pursuant to the table "CONTENTS REQUIRED BY LAW 11/2018" included herein.

The key non-financial results included in this consolidated Statement of Non-Financial Information were prepared pursuant to Spanish Corporate Law and the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards), the international reporting framework envisaged in the aforementioned Law 11/2018, in its exhaustive option, following the criteria of the GRI standards applicable to each subject area included in the aforementioned table. The information included in this statement of non-financial information, which is an integral part of the Consolidated Directors' Report and which accompanies the Consolidated Financial Statements for 2021, was verified by KPMG Asesores, S.L. in its capacity as independent

service provider, pursuant to the new wording given by Law 11/2018 to Article 49 of the Code of Commerce.

Furthermore, the other non-financial information contained in this Corporate and Social Responsibility Report for the year ended 31 December 2021 was prepared, in all material respects, in accordance with the GRI (Global Reporting Initiative) Sustainability Reporting Standards, in its exhaustive option, as detailed in point 102-54 of the "GRI Contents" section of the Report, which was also reviewed by KPMG Asesores, S.L.

Scope of the information

The financial information included in the Report was taken from the Consolidated Financial Statements for the year ended 31 December 2021, together with the Directors' Report for said year, due to which it makes reference to the ABANCA Group. Nueva Pescanova, S.L. and Real Club Deportivo de La Coruña, S.A.D. were not included within the scope of the Report, since they were recognised under "Non-current assets and disposal groups classified as held for sale".

The information relative to Human Capital does not include the employees of non-financial investees (Sogevinus S.G.P.S., S.A., Espacios Termolúdicos, S.A. and Natur Hotel SPA Allariz, S.A.), which account for 4 % of total employees. In the case of Training, which has the same

scope, training data are included since May for the Bankoa collective and since October for the Novo Banco collective, at which time they were provided access to the learning platform. Furthermore, as regards data relating to salaries, absenteeism and accident rates, in addition to not including the previously indicated employees, do not include information on employees outside of Spain and Portugal either, which account for 1 % of total employees.

With regard to information related to the environment for 2021, energy consumption and emissions corresponding to ABANCA's activities in Spain, Portugal and most of its financial investees, where most of its offices and employees are located, are reported. Therefore, data relating to consumption and emissions in other countries, non-financial investees or the financial investees of Txstockdata, S.L. and Invertium Consultoría de Proyectos, S.L., which account for 5 % of total employees, are not included either.

In those cases where the scope of the reported information differs from the established scope, it will be specified in the corresponding section or table with a footnote.

introduction





102-14

This report informs of the activity carried on by ABANCA Corporación Bancaria, S.A. in 2021 in the context of the relationship with our customers and stakeholders (suppliers, regulators, society in general, etc.).

By definition, our business activity is the ultimate destination of our collective efforts. However, as this Report shows, ABANCA plans, designs and executes its actions with a much broader perspective, which is not limited to optimising our financial activity, but rather takes into account, in its entirety, the network of links and impacts deriving therefrom and that not only extend to our stakeholders, namely our customers, but also to society as a whole.

This integral conception of our role as an organisation that seeks to become an agent of positive change not only in economic, but also in social, cultural, educational and environmental terms, is structured into our Responsible and Sustainable Banking Action Plan 2021-2024.

This Plan is focused on ABANCA becoming a relevant actor in the field of sustainability and supporting sustainable economic activity. To achieve this, our Entity incorporates the environmental, social and governance (ESG) aspects in our management, business and risk model, and accompanies our customers in the transition to sustainability. Specifically, our

ultimate goal for 2024 is to ensure that our operational footprint is carbon-neutral and to have a sustainable alternative for our financial products.

In 2021, we achieved our first milestones, which included, namely, the launch of three sustainable investment funds: ABANCA Renta Fija Transición Climática 360, FI, ABANCA Renta Variable ESG 360, FI and ABANCA Renta Fija ESG 360, FI. Another achievement was the launch of our first green bond issue amounting to €500 million and a demand greater than triple the amount issued. This allowed us to reinforce our anti-crisis buffers and advance in the fulfilment of our minimum requirements for equity and eligible liabilities (MREL).

We are actively reducing the environmental footprint of our spaces. New spaces are built on the basis of the most stringent sustainability criteria and our A Coruña (ABANCA and ABANCA Seguros) and Madrid head offices are AENOR Zero Waste certified.

This effort includes our long-term agreement with Endesa to meet our electricity demand in Spain and Portugal with Galician wind energy; the collaboration in the development of the Datadis data supply platform and the incorporation of its information in our management system to optimise consumption; the support for the open letter launched by

the We Mean Business Coalition calling on G20 leaders to take decisive action on climate change during the COP26, in order to prevent global warming from exceeding 1.5°C. It is a further step in our will to contribute to promote a greener economy, as part of our adhesion to the Net Zero Banking Alliance, launched in 2021, and to the other projects launched since 2019 by the United Nations Environment Programme Finance Initiative (UNEP FI).

ABANCA is also committed, since its beginnings, to the principles of the Global Compact and forms part of the Global Network, and especially to Human Rights, materialised in its Commitment to Human Rights.

The Next Generation Funds are a great tool. They represent “a great opportunity” to shift the transformation of the economy towards a more sustainable paradigm. In 2021 we laid the foundations, with a view to 2022 and the coming years, to be ready to fulfil our role in channelling resources towards the fabric of production, contributing to start up new projects that will help reactivate the economy.

As part of this process, we created the specialist unit Next Generation ABANCA; we participated in the constitution of Impulsa Galicia; we established more than 100 contacts with the

business fabric; and we launched our first specific finance products.

In terms of Business, 2021 was the first year of the successful incorporation of Bankoa; the definitive completion of the acquisition of the business of Novo Banco in Spain, whose incorporation will take place at the end of 2022; and the launch of our first proprietary general insurance products in the automobile segment.

ABANCA and Afundación’s commitment to education was rewarded with the “Finance for everyone” prize, awarded by the Banco de España and the CNMV (Spanish National Securities Market Commission) in the “Best financial education initiative” category. The prize-winning action, Segura-Mente ABANCA, forms part of a broad financial education programme that reached a record number of 123,170 beneficiaries.

We end this summary with an achievement in which we take particular pride: the start up of the Intercontinental Business University (UIE), promoted by Afundación and ABANCA. It will start to offer its degrees in the academic year 2022-2023 as a private, not-profit, public service university, open to collaboration with the Galician university system, and committed to the sustainable development of our society, culture and economy.

The year 2021 boosted ABANCA’s trajectory of growth, transformation and social commitment since 2014, laying the groundwork for major projects in coming years for the benefit of all those who form part of the Entity, our customers and society as a whole.



**Juan Carlos
Escotet Rodríguez**
Chairman of ABANCA

**Francisco
Botas Ratera**
CEO of ABANCA

ABANCA

responsible banking



OUR
contribution
102-7

 **Employees**

5,979
professionals.

€351.9 M
personnel expenses.

97.67 %
of employees
with permanent
employment
contracts.

16.47 years
average length of
service at the company.

€1.6 M
investment in training.

 **Customers society**

€2.2 M
customers.

47 %
market share deposits
in Galicia¹.

 **Business**

16.9 %
ratio of total capital.

2.1 %
NPL ratio.

>€108,000 M
revenue.

>1,100,000
mobile banking users.

 **Company**

€15 M
social investment.

123,170
beneficiaries of the
financial education
programme.

 **Suppliers²**

€201.22 M
in payments to
suppliers.

1,988
approved
suppliers.

91.10 %
Spanish suppliers
(by invoiced
amount).

¹ As at September 2021, last available figure.

² Supplier data corresponds to natural and legal persons engaged by the Procurement area for ABANCA and its investees. It does not include supplies or intra-Group billing.

It is part of ABANCA, of its values and of what it has strived to achieve since its beginnings, to promote sustainable development out of respect for society and the environment in which it operates.

ACTION model

103-2, 103-3

The Bank has aligned sustainability with its transformation strategy and has defined an action model that places it at the centre of decision-making. It thus advances in its commitment to economic and social progress and the well-being of the people, which it has maintained since its beginnings, although reformulated to adapt it to the current context.

The vision to build under this concept is the Entity's new way of operating that will allow us not only to survive in such a changing environment, but also to prosper, be more efficient and gain market share without compromising our original values.

In order to work towards and achieve this vision, in May 2021 ABANCA presented its Sustainability Plan, a responsible and sustainable banking action plan. The plan included the roadmap for the period 2021-2024, coinciding with the Entity's global strategic plan.



Sustainability Plan.

2021-2024 goals



To work to mitigate the effects of climate change and promote sustainability of the environment affected by our activity.



To promote sustainable economic activity by integrating ESG aspects into the management model, business and risk model.



To supporting the transition towards sustainability for our customers.



In order to achieve these goals, the Entity has established three main lines of action, on which it has been working for some time now, but with renewed impetus:

1. The **environmental line**: in response to the concern for the climate emergency and contribution to the protection of biodiversity. Further information about the plans and initiatives under way and that allow us to mitigate the potential impact of our activity can be found in the chapter on environment.
2. The **socio-economic line**: it is about the recovery and transformation of the economy towards a sustainable model. About social welfare, whose executor is Afundación, ABANCA's Social Welfare Project.
3. **Good governance**: a management model aimed at providing a swift response to stakeholders' needs and with a special focus on new risks.

The focus is to work step by step, following standards and criteria endorsed by the regulator, supervisor and market, which includes national and international responsibility practices and standards, with the aim of meeting stakeholders' needs and that goes beyond legal requirements, to manage change in the most efficient and inclusive way possible.

The coordination work for implementing the action plan is initially carried out by the social responsibility and sustainability area, incorporated in the General Office of Corporate Social Responsibility and Communication.

The Social Responsibility and Sustainability Committee is the body that oversees the strategic lines in relation to social responsibility and sustainability, in addition to the function of putting forward proposals to the corresponding governing bodies, and the Management Committee oversees policies.

We work towards this end within a corporate framework that impregnates the whole Entity and the whole Group through a common Sustainability Policy, which aims to bring together the basic and strategic action principles and commitments aimed at fostering sustainability and evaluating their

strategic impact, as well as promoting and managing the initiatives designed to address the challenges posed by climate change from an environmental, social and governance viewpoint. In 2021, the annual review was carried out to adapt the policy to the new plan and actions in order to continue advancing in this area.

In addition to the Sustainability Policy, the Code of Ethics and Conduct and the other policies included in the chapter on Good Governance (Responsible Investment and Integration of Sustainability Risks, Energy and Environment Policy, etc.) form part of the corporate framework that guides our actions in favour of the balance between economic growth, respect for the environment and social well-being. Step by step, we aim to align it with the principles of the commitments made and the 2030 Agenda.



Sustainability Policy.



CONTRIBUTION to the Sustainable Development Goals (SDG)

FS7, FS8, FS10, FS11

The Entity strives to align its global strategy with the SDGs and best practices in order to guarantee its contribution as a financial services provider and a member of the community.

As our main premise, at ABANCA we assume that all the SDGs are correlated, due to which there will always be an impact and, thus, readiness to act on each one of them.

Also, prioritisation and contribution to the goals will be updated in line with ABANCA's strategy and its corresponding activity.



» **Identification of priority SDGs.** We have prioritised our initial direct action, a total of 4 + 4 objectives, due to their high impact, bearing and level of influence on which our lines of action in the economic, social and environmental sphere will be focused. The following documents were taken into account in the analysis and identification:

- The size of the customer, business and organisation.
- The updated global strategy.
- The progress of the 2030 Agenda in Spain.
- The UN classification and recommendation by sector.



+ **Priority**
Direct impact due to ABANCA's main activity

● Contribution as a financial agent

● Contribution as a social agent

+ (circle) **Complementary**
There is a degree of influence

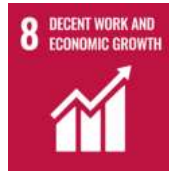
+ (square) **Indirect**
ABANCA acts indirectly

Analysis of the contribution to priority SDGs

We analysed the Entity's progress in the contribution to the SDGs identified as priority.

	2020	2021	
	Number of employees with internal promotion	454	336
	Number of employees whose performance was evaluated	96 %	94 %
	Percentage of women in the Board of Directors	30 %	36.4 %
	Percentage of independent directors	66.6 %	72.7 %
	Number of customers connected to mobile banking	739,582	834,817
	Increase in digital contracts	162.1 %	5.8 %
	Number of collaboration agreements with fishing industry agents	90	91
	Hours dedicated to environmental volunteering	921	3,617
	Paper consumption	303.93 t	215.06 t
	Investment in training	1.5 M €	1.6 M €
	Number of participants in Afundación educational projects, ABANCA's Welfare Project	183,609	185,862
	Number of participants in plastic and performing arts	157,696	351,793
	Beneficiaries of the financial education programme	92,273	123,170
	Number of dwellings intended for social housing	436	440
	Number of participants in the Afundación active ageing programme	22,554	49,126
	Water consumption	31,430 m ³	28,003 m ³
	Emissions avoided by reusing electronic waste	33.6 t CO ₂	77.4 t CO ₂
	Emissions avoided by using 100% renewable energy	3,624 t	3,427 t
	Reduction in electricity consumption	Up 6 % on 2019	Up 5.5 % on 2020
	Ending balance of financed renewable energy projects	700 M €	736.8 M €
	Reduction in GHG emissions	Up 78 % on 2019	Up 28 % on 2020
	Generation of renewable energy in proprietary photovoltaic plant	391.8 GJ	392.97 GJ

Contribution as a financial agent



We have a people management model aimed at guaranteeing the well-being, attraction, development and retention of the best talent, which allows us to provide the best and most comprehensive service to our customers, who are at the heart of ABANCA's activity.

- 97.7 % of employees with permanent employment contracts.
- ABANCA Corporación Bancaria, S.A. Collective Bargaining Agreement.
- Update of the Quality Policy.
- Commitment to Human Rights.
- Health and Safety Committee.
- Regulatory employee training and development.
- Investment in new branch office and headquarters model.
- Quality policy and service.
- Variable and Flexible Remuneration System (REFLEX).
- Corporate Governance Excellence Plan.
- Balanced staff, where 50.9 % of permanent contracts correspond to women and 49.1 % to men.
- ABANCA Innova: technological observatory, intra-enterprising, startups programme, Ithium project acceleration and development programme.
- The economic value generated by ABANCA in 2021 reached €1,453.29 million, 9.3 % over the 2020 amount.



Internally, we promote the value of initiative and improvement proposals, strive to stay abreast of new technologies and leverage on all their functionalities to improve the performance and efficient use of our work. From our institutional role, we drive initiatives that favour social innovation, revitalisation of the production sector and R&D&i.

- Promotion of Mobile Banking and ABANCA Digital: Mobile Banking has more than 1.1 million users and is among the best valued of the Spanish financial system by the users.
- Investment in sustainable facilities with cutting-edge equipment.
- ABANCA Agro and ABANCA Mar: innovative sectoral financial solutions aimed at improving our customers' facilities and infrastructure.
- ABANCA is the benchmark bank for businesses and SMEs and its strategic plan includes the objective of outperforming the market in this segment.
- Opening in Madrid of the "Espacio Serrano 45" branch office, an innovative centre equipped with the most advanced technology and reformed on the basis of the most demanding sustainability criteria.

SDG 14 & 15: protection of biodiversity

One of the key aspects of sustainable development is local action, where entities can contribute the most without forgetting that the impact of their actions and responsibility is global.

ABANCA's greatest influence is in the Atlantic area, where its Core business and origins reside. That's why we favour initiatives that promote adequate environmental protection and conservation, particularly in our immediate surroundings: the ocean and our forests.



- ABANCA Mar: financing lines for companies and their sustainable projects.
- Collaboration agreement with the Spanish Fishing Confederation (CEPESCA).
- Participation, institutional support to the fishing and canning sector.
- Volunteering programme: cleaning of beaches.
- Adherence to the Sustainable Ocean Principles.
- Awareness actions: sustainability promotion activities programme.
- Living Networks project.
- ON Territorial Conservation Plan (PLANCTON).
- Removal of 19 tonnes from sandbanks and seabeds.

- Environmental sustainability initiatives launched in conjunction with the forestry sector.
- Reforestation and ecosystem cleaning actions through corporate volunteering. A total of 1,700 trees have been planted.
- Energy and Environmental Policy
- Reduction in the use of paper both in branch office networks and corporate headquarters.
- ON Territorial Conservation Plan (PLANCTON).
- 20 biodiversity protection actions.



Contribution as a social agent



At ABANCA's Social Welfare Project, Afundación, we foster a transformative education model based on innovation, internationalisation and multiculturalism, sustainability and good training practices.

- We promote higher education with the Intercontinental Higher Education Business Institute (IESIDE).
- Regulated Training (5,206 beneficiaries).
- Non-Regulated Training (180,596 beneficiaries).
- Conferences, courses and sessions.
- Startup of the Interncontinental Business University (UIE) as a project aimed at the creation of economic, social and cultural value.

It is supplemented with the following internal initiatives of the Entity:

- Continuous Training Plan for the Board of Directors.
- Regulatory training of all employees.
- Company internship programme.
- Staff SDG awareness.
- Development plan aimed at so-called soft skills and hard skills.



We apply the highest standards of respect, which is materialised in financial inclusion, sectoral policies, data protection and non-discrimination of our customers.

- We Activate Plan (Plan Activamos): an agreement with Galician provincial authorities to finance initiatives aimed at economic and social development.
- We support Mutual Guarantee Societies (MGS) for corporate financing.
- AENOR Certificate of Excellence in the Individual Banking, Business, Means of Payment and Electronic Banking Service.
- Corporate Volunteering Programme.
- Financial Education Programme: 123,170 digital and face-to-face beneficiaries.
- We are the sole sponsor of Afundación.
- Singular Housing Management Unit: the only liaison, negotiation and management channel between local authorities, platforms for people affected by mortgages (PAHs) and other associations.
- New Equality Plan for the period 2021-2025.
- Renewal of the principles of the Equality Policy.
- Continuation of the Gender and Equality Training Plan.



We always maintain rationalisation in the consumption of resources and in the acquisition of environmentally-friendly products and services, in addition to adequate waste management. We transmit these principles to our customers, collaborators and suppliers, with which we have a close and transparent relationship based on the values of reliability, experience, quality certification, association and degree of concentration.

- Commercial Communication Policy.
- Investment in renewable energy production societies.
- Internal waste management: Revertia and Artegaia.
- Zero Waste Project.
- Zero Paper Initiative.
- Promotion of the use of e-mail.
- Creation of indirect jobs by hiring local providers.
- Energy and Environmental Policy Update.
- Energy Management System.
- Global Energy Efficiency Plan.
- Guarantee of origin of consumption of renewable energy.

Our commitment to the climate emergency is materialised through initiatives:

- Measurement of the carbon footprint and reduction goals.
- Actions for raising awareness on environmental conservation.
- Promotion of the use of sustainable transport in the company.
- Energy efficiency in the company's facilities.
- Participation in the Collective Commitment to Climate Action (CCCA) of the UNEP FI.
- Environmental volunteering.
- Adhesion to the Net Zero Banking Alliance.
- Adoption of EU Taxonomy.
- Financing of renewable energy projects: exceeded €820 million in 2021.





PARTNERSHIPS for the goals

102-12, 102-13, 201-2

Every year the Entity aims to increase its partnerships and the relationship with its stakeholders, a key element of the corporate strategy and culture that allows us to provide solutions, actions and forums to seek sustainable development and contribute to progress.

In addition to the following commitments acquired by ABANCA in the corresponding work groups, whose objective is to project and implement a set of measures aimed at establishing a permanent dialogue with its customers and stakeholders.

The main initiatives and partnerships and the advances in collaboration at the local and international level are as follows:



1

Principles of the UN Global Compact

In 2015, the year of its creation, ABANCA became a partner of the Global Compact Spanish Network. Since 2019, the organisation is a member of the United Nations Global Compact Network and participates in the actions and initiatives launched by the alliance at the national and international level.

In 2021, the organisation participated in several SDG good practices dissemination

campaigns through the Network's COMPARTE platform and media.

This commitment implies reporting on the performance and degree of implementation of the Ten Principles through a Progress Report. This allows us to reinforce ABANCA's strategy and learn our progress to achieve the objective of obtaining excellence in Social Responsibility.

Founding Signatory of:



PRINCIPLES FOR RESPONSIBLE BANKING

2

Principles for Responsible Banking (PRB)

In 2019, ABANCA became one of the banks across the world to adhere to the Principles for Responsible Banking as founding signatories in the context of the General Assembly of the United Nations.

The Principles were developed by the United Nations Environment Programme Financial Initiative (UNEP FI), together with a core group of banks.

This initiative is aimed at aligning banks' actions to achieve the United Nations' Sustainable Development Goals and the Paris Climate Agreement.

The six Principles for Responsible Banking define the commitment and responsibilities of the financial sector to contribute to a sustainable future, in line with the SDGs and the Paris Agreement, establishing a global standard on what it means to be a responsible bank. The principles constitute a basic pillar of action of ABANCA's Sustainability Policy and their progress is summarised in the annual update of the document.

This document includes the progress in the implementation of the principles in the Entity. In order to prepare this report, we carried out a joint study on the information requirements for adequate data collection with the areas involved. The information is expounded in the different chapters of this report and is summarised in the RBP Table. ▶

Progress report. ▶



The progress achieved in implementation from the signing of the Principles are as follows:

- **Alignment:** we studied ABANCA's relationship with the 17 SDGs, which resulted in the prioritisation of eight direct action goals.



- **Impact and Target Setting:** the Responsible and Sustainable Banking Action Plan 2021-2024 has been prepared, in which the Entity's strategy is embodied in three lines of action: environmental, socio-economic and governance.
- **Customers and users:** the Bank accompanies its customers in the transition to a low-emission economy by providing a portfolio of sustainable products aimed at protecting the planet and people.
- **Stakeholders:** ABANCA works proactively on the growth and construction of a network of alliances to provide solutions and actions that seek sustainable development and contribute to the progress of society.
- **Governance and culture:** all of ABANCA's activity is regulated by internal policies and procedures that guarantee the Entity's responsible conduct. The Sustainability Programme, implemented within the CSR and Communication Division, encompasses the entire organisation. Since then, various actions have been carried out in the context of the programme, which are reported to the Corporate CSR, Social Responsibility and Sustainability Committee, giving rise to actions that require the approval

of the Board of Directors. The Social Responsibility and Sustainability Committee is in charge of putting forward the Policy to the corresponding governing bodies and to the Management Committee, of proposing the strategic reputation management lines, establishing management and control measures for social responsibility, of selecting and reviewing the key performance indicators and of reviewing and approving the corporate responsibility programmes.

- **Transparency and responsibility:** since 2018 we include our Statement of Non-Financial Information, ABANCA's performance in the SDGs and the progress in the implementation of the Principles for Responsible Banking in the Corporate and Social Responsibility Report.

In preparing this Report, ABANCA took into account the criteria of the Global Reporting Initiative Sustainability Reporting Standards (GRI) and the information stipulated by Law 11/2018 on the disclosure of non-financial information is offered. This report was independently verified by KPMG Asesores, S.L.





3

Commitment to Climate Action

At the end of 2019, ABANCA joined the Sectoral Climate Agreement of the Spanish banking sector, whose main objective is to promote a more sustainable and low-emission economy, presented in the context of the Climate Summit COP25.

The Agreement implies alignment with the Climate Action Collective Agreement promoted by UNEP FI, the United Nations Environment Programme Finance Initiative, signed by banks across the world, including ABANCA. The document establishes specific actions and certain time frames that the signatory banks will implement to increase their contribution and align their activity with the objectives of the Paris Climate Agreement.



[Progress report.](#)

Signatory of:



4

Principles for Responsible Investment

In May 2020, ABANCA was the first Spanish bank to adhere to the Principles for Responsible Investment, promoted by UNEP FI. Adherence to the Principles for Responsible Investment is a step forward in ABANCA's sustainability strategy which, through its activity, promotes a model that contributes to the economic, social and environmental balance of the area where it operates.

Adhesion to these principles has led ABANCA to prepare a Policy of Sustainable Investment and incorporation of sustainability risks, reviewed in 2021 to adapt it to the new requirements of the regulation and approved by the Board of Directors. The policy establishes that ABANCA undertakes to base its actions on the development of the six Principles for Responsible Investment (PRI).



[Principles for Responsible Investment.](#)





5

Sustainable Ocean Principles

In June 2020, ABANCA adhered to the United Nations Sustainable Ocean Principles, thereby becoming the first Spanish bank to adhere to these principles. The nine Sustainable Ocean Principles, developed by the United Nations Global Compact Network, were presented on 22 October 2019 and supplement the Ten Principles of the Global Compact.

Through this action, ABANCA acknowledges the urgency and importance of adopting global measures to promote the well-being of the ocean in order to preserve its wealth now and in the future, and undertakes to work in this direction within its sphere of activity. In this manner, the Bank joins an international coalition of companies from different sectors of the economy that share this concern.



6

Net Zero Banking Alliance

In May 2021, ABANCA reinforced its commitment with the objective of reducing emissions established in the Paris Agreement with the adherence to the Net Zero Banking Alliance, a project promoted by the Financial Initiative of the United Nations Environment Programme as part of the Glasgow Financial Alliance for Net Zero (GFANZ).

The alliance brings together banks around the world with the aim of fulfilling the banking sector's ambition of aligning its climate commitments with the objectives of the Paris Agreement through collaboration, rigour and transparency.

In this way, ABANCA undertakes to carry out the transition of all the operational emissions attributable to the loans and investments portfolio to align them with the Net-Zero routes for 2050, in line with a maximum temperature increase of 1.5 °C higher than pre-industrial levels by 2100.

ABANCA has reinforced its commitment to the objective of reducing emissions established in the Paris Agreement, coinciding with the celebration of the COP26.

The Bank endorsed the open letter launched by the We Mean Business Coalition calling on G20 leaders to take decisive action on climate change.

The support to this global corporate initiative, signed by companies and organisations around the world, is a further step in the Bank's intention to contribute to promote a greener, carbon-neutral economy as part of its adherence to the different climate action commitments.



7

Associations within our sphere of activity

ABANCA participates in various sectoral associations, such as the Spanish Banking Association (AEB), the Spanish Confederation of Savings Banks (CECA), the Entrepreneurs' Association, the Iberian Cooperation Centre Association and the Spanish Business Association against Fraud, UNEP FI, allocating €567,318.69 to membership fees.

Moreover, the Bank has appointed representatives in foundations and sectoral entities that contributed to the development of the agriculture and livestock, forestry, fisheries and industrial sectors, in addition to non-profit organisations or institutions throughout our sphere of action, allocating €115,312.30 to membership fees.

Simultaneously, ABANCA drives sustainability in the different sectors by entering into financial agreements with the main representative entities to offer solutions to the main demands of each of the collectives.

In 2021, to advance in the strategy to promote sustainability, ABANCA joined EnergyLab's board of trustees, one of the most cutting-edge Galician technology centres and a benchmark for sustainable technology, wherein the regional government is already represented through Inega, universities and other private entities.



DIALOGUE with stakeholders

102-21, 102-40, 102-42, 103-2, 103-3

One of ABANCA's priorities is to maintain a fluid and permanent dialogue with all its stakeholders through the different communication channels, which allows us to identify their material aspects and associated risks and opportunities within the framework of our Social Responsibility.

Employees

ABANCA's people management model is aimed at guaranteeing well-being and attracting, developing and retaining the best talent by offering development opportunities through multiple training programmes.

Customers

Providing the best and most comprehensive service to our customers is the main pillar of ABANCA's activity, with a focus on the retail business to achieve the highest level of satisfaction in each of our products and services..

We accompany our customers to create a new value proposition in their transition and transformation towards a sustainable business model.

Shareholders and investors

Creating long-term value and ensuring the maximum informative transparency are the pillars of ABANCA's relationship with its shareholder base.

Suppliers

ABANCA has a close and transparent relationship with all its approved suppliers, always based on the values of reliability, experience, certification of quality, association and degree of concentration.

Always maintaining rationalisation in the consumption of resources and in the acquisition of environmentally-friendly products and services and transmitting these principles to our collaborators and suppliers.

Company

ABANCA's management model is consistent with its commitment to the socioeconomic development of the territory. As sponsor of Afundación, ABANCA's Welfare Project, the Bank promotes and supports programmes that contribute to educational, social and cultural development within our sphere of action.

ABANCA has a wide range of tools for consultation and dialogue with its stakeholders.

We measure our action and proactively and regularly inform our stakeholders. We publish our most relevant financial and non-financial information on an annual basis, advancing in the alignment with the commitments acquired and with European legislation.

On 1 March 2021, the Board of Directors approved the Communication Policy, which is aimed at establishing a general framework of communication and dialogue with the different stakeholders that contribute to preserving and improving the good reputation and image of the Bank, to disclosing its corporate values and to helping to achieve its strategic objectives through the dissemination of information under the criteria of transparency, veracity, rigour, coherence, efficiency, fairness, responsibility and sustainability.



Communication Policy.

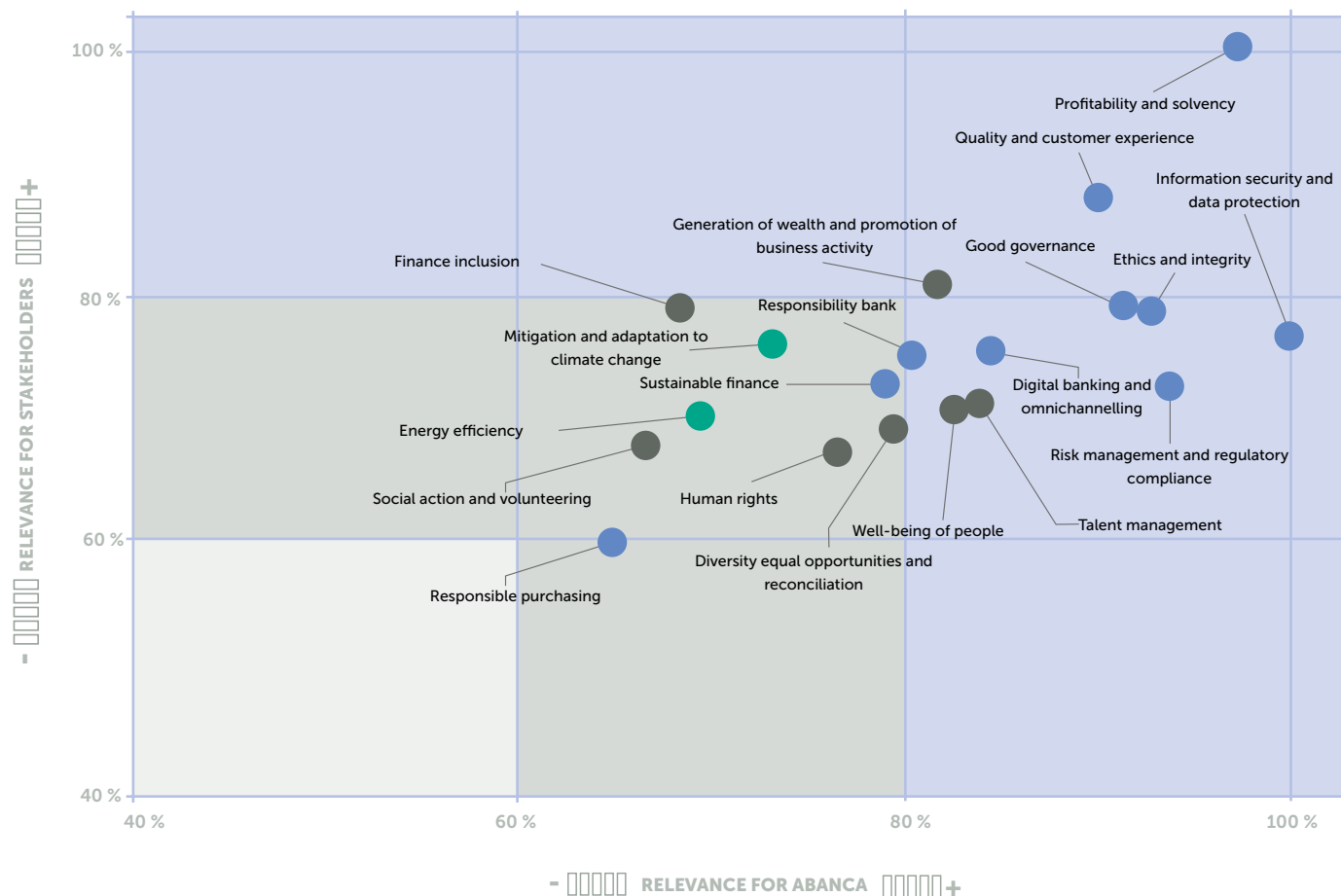
Stakeholders	Continuous dialogue	Regular dialogue
Employees	Intranet	Working climate survey
	Corporate website	Employees' representatives
	People managers	Work sessions
	Whistle-blowing channel	Training sessions
Customers	Commercial Network	Satisfaction surveys
	Commercial website	Focus group
	Social media	
	Customer service helpline	
	Customer attention service	
Shareholders and investors	Corporate website	Calling of Annual General Meetings
	Shareholder Relations Office	Permanent contact channel with shareholders and investors
Suppliers	Purchasing Board	Regular meetings
	Specialist managers	Satisfaction survey
	Commercial website	
	Whistle-blowing channel	
Company	Commercial Network	Meetings with social agents
	Commercial and corporate website	Communication to supervisors
	CSR mailbox	Corporate communications
	Communication Department	
	Social media	

MATERIALITY analysis

102-43, 102-44, 103-1, 103-2

ABANCA has updated its materiality study with the aim of identifying material issues for the Bank and its stakeholders and, on this basis, define the contents of this Report.

The methodology followed in the study is based on the guidelines of the Global Reporting Initiative (GRI) standards, specifically GRI 101: Foundation, which establish that relevant topics are those that «can reasonably be considered important for reflecting the organisation's economic, environmental, and social impacts, or influencing the decisions of stakeholders and, therefore, can appear in the Report».



- Economic topics
- Environmental topics
- Social topics

- High relevance: topics that must be reported on with a high degree of detail due to being considered of very high relevance from an external and internal perspective.
- Medium relevance: topics on which ABANCA must report with a medium degree of detail due to their high external and internal relevance.
- Low relevance: topics on which ABANCA must report at least the management approach.

DETERMINATION of contents

103-1, 102-46, 102-47

Once the topics have been validated, the subject areas identified are associated with the GRI Standards and their coverage, in addition to relating each of the material topics to the Sustainable Development Goals (SDG), the Principles of the Global Compact and the Principles for Responsible Banking.

Material topics	GRI Standart	Contents	Coverage				SDG related	Non-financial information law
			Origin Inside	Outside	Implication Direct	Indirect		
1 Profitability and solvency	GRI 103 Management approach 2016 GRI 201 Economic performance 2016	103-1 a 103-3 201-1 a 201-4	•	•	•	•	SDG 8 SDG 13	Management approach Business model
2 Good governance	GRI 102 General disclosures 2016 GRI 103 Management approach 2016 GRI 415 Public policy 2016	102-18 a 102-39 103-1 a 103-3 415-1	•		•		SDG 16	Employment Management approach
3 Ethics and integrity	GRI 102 General disclosures 2016 GRI 103 Management approach 2016 GRI 205 Anti-Corruption 2016 GRI 206 Anti-Competitive behaviour 2016	102-16, 102-17 103-1 a 103-3 205-1 a 205-3 206-1	•	•	•	•	SDG 16	Application of due diligence procedures Management approach Corruption and bribery
4 Risk and regulatory compliance management	GRI 102 General disclosures 2016 GRI 103 Management approach 2016 GRI 207 Tax reporting 2019 GRI 307 Environmental compliance 2016 GRI 419 Socioeconomic compliance 2016	102-15, 102-30 103-1 a 103-3 207-1 a 207-4 307-1 419-1	•	•	•	•	SDG 16	Management approach Tax-related information Environmental management Tax-related information
5 Responsibility bank	GRI 102 General disclosures 2016 GRI 103 Management approach 2016	102-12, 102-40 a 102-44 103-1 a 103-3	•	•	•	•	SDG 1 SDG 8 SDG 13 SDG 16 SDG 17	Information by company Management approach
6 Sustainable finance	GRI 103 General disclosures 2016 SIndustry supplement	103-1 a 103-3 FS7, FS8, FS10, FS11	•	•	•	•	SDG 1 SDG 8 SDG 10 SDG 12 SDG 16	Management approach
7 Quality and customer experience	GRI 102 General disclosures 2016 GRI 103 Management approach 2016 GRI 416 Customer health and safety 2016 GRI 417 Marketing and labelling 2016 Industry supplement	102-43 103-1 a 103-3 416-1, 416-2 417-1 a 417-3 FS6, FS13, FS14	•	•	•		SDG 1 SDG 8 SDG 10 SDG 12 / SDG 16	Management approach Consumers

Material topics	GRI Standart	Contents	Coverage				SDG related	Non-financial information law
			Origin Inside	Outside	Implication Direct	Indirect		
8 Responsibility purchasing	GRI 102 General disclosures 2016 GRI 103 Management approach 2016 GRI 204 Procurement practices 2016 GRI 308 Supplier environmental assessment 2016 GRI 414 Supplier social assessment 2016	102-9 a 102-10 103-1 a 103-3 204-1 308-1 a 308-2 414-1 a 414-2	•	•	•	•	SDG 12	Management approach Subcontractors and suppliers
9 Digital banking and omnichannel	GRI 103 Management approach 2016	103-1 a 103-3	•	•	•		SDG 9	Management approach
10 Information security and data protection	GRI 103 Management approach 2016 GRI 418 Customer privacy 2016	103-1 a 103-3 418-1	•	•	•		SDG 16	Management approach Consumers
11 Energy efficiency	GRI 103 Management approach 2016 GRI 302 Energy 2016	103-1 a 103-3 302-1 a 302-5	•	•	•	•	SDG 7 SDG 8 SDG 12	Management approach Sustainable use of resources
12 Mitigation and climate change	GRI 103 Management approach 2016 GRI 305 Emissions 2016	103-1 a 103-3 305-1 a 305-7	•	•	•	•	SDG 13 SDG 15	Management approach Climate change
13 Human rights	GRI 103 Management approach 2016 GRI 406 Non-discrimination 2016 GRI 412 Human rights assessment 2016	103-1 a 103-3 406-1 412-1 a 412-3	•	•	•	•	SDG 1-17	Management approach Application of due diligence procedures
14 Talent management	GRI 102 General disclosures 2016 GRI 103 Management approach 2016 GRI 202 Market presence 2016 GRI 401 Employment 2016 GRI 404 Training and education	102-8 103-1 a 103-3 202-1 a 202-2 401-1 a 401-3 404-1 a 404-3	•		•		SDG 1 SDG 3 SDG 4 SDG 5	Employment Management approach Training
15 Diversity, equal opportunities and reconciliation	GRI 103 Management approach 2016 GRI 405 Diversity and equal opportunities 2016	103-1 a 103-3 405-1 a 405-2	•		•		SDG 5 SDG 8 SDG 10	Equal opportunities Labour organisation Universal accessibility for disabled people
16 Well-being of people	GRI 403 Occupational health and safety 2018 GRI 402 Labour/management relation 2016	403-1 a 403-10 402-1	•		•		SDG 3 SDG 8	Health and safety Social relation
17 Generation of wealth and promotion of business activity	GRI 103 Management approach 2016 GRI 203 Indirect economic impacts 2016	103-1 a 103-3 203-1, 203-2	•	•	•	•	SDG 1 / SDG 2 SDG 3 / SDG 7 SDG 8 / SDG 9 SDG 10 / SDG 11 SDG 17	Management approach
18 Social action and volunteering	GRI 103 Management approach 2016 GRI 203 Indirect economic impacts 2016 GRI 413 Local communities 2016	103-1 a 103-3 203-2 413-1, 413-2	•	•	•	•	SDG 1 / SDG 2 SDG 3 / SDG 8 SDG 10 / SDG 17	Management approach Corporate commitments to sustainable development
19 Financial inclusion	GRI 103 Management approach 2016 GRI 203 Indirect economic impacts 2016	103-1 a 103-3 203-1, 203-2	•	•	•	•	SDG 1 SDG 5	Management approach

Corporate

governance

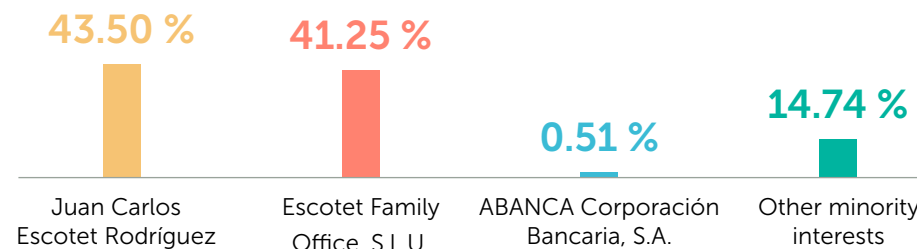


SHAREHOLDER structure

102-5

ABANCA has two reference shareholders, Juan Carlos Escotet Rodríguez and Escotet Family Office, S.L.U., who held 43.50 % and 41.25 % of the share capital as at 31 December 2021, respectively. ABANCA Corporación Bancaria, S.A. has treasury shares amounting to 0.51 % of the Bank's share capital, while the other non-controlling interests hold 14.74 %.

Shareholding



GOVERNANCE model

ABANCA's Corporate Governance model meets the highest international standards and serves as a basis for fulfilling its mission as a sustainable, profitable and creditworthy financial institution oriented towards its customers' needs.



Annual General Meeting

102-18

The holders of any number of shares registered in their name in the corresponding ledger five days before the meeting date and which are up to date in the payment of the pending disbursements shall be entitled to attend the Annual General Meeting.



 **Board of Directors**

102-22, 102-23, 102-24, 102-31, 405-1

It held a total of 11 meetings in 2021 attended by all the members and is made up of 11 members.



Chairman
Juan Carlos Escotet Rodríguez
 Proprietary director
 Appointment: June 2017¹

(1) Was Deputy Chairman from June 2014 to June 2017.



CEO
Francisco Botas Ratera
 Executive
 Appointment: June 2014
 Other positions: Delegate Credit Committee



Director
Eduardo Eraña Guerra
 Independent director
 Appointment: October 2016
 Other positions: Nomination and Sustainability Committee.



Director
José García Montalvo
 Independent director
 Appointment: August 2014
 Other positions: Audit and Compliance, Remuneration, Comprehensive Risk Commissions.



Director
Manuel López Figueroa
 Independent director
 Appointment: October 2019
 Other positions: Delegate Credit Committee.



Director
Pedro Raúl López Jácome
 Other non-executive
 Appointment: June 2014
 Other positions: Delegate Credit, Audit and Compliance, Nomination and Sustainability Committees, Remuneration.



Director
Carina Szpilka Lázaro
 Independent director
 Appointment: June 2014
 Other positions: Audit and Compliance, Remunerations Committee.



Director
Ana da Cunha Barros
 Independent director
 Appointment: July 2019
 Other positions: Comprehensive Risk Commission.



Director
Leticia Iglesias Herraiz
Independent director
Appointment: May 2018
Other positions: Audit and Compliance, Remuneration, Comprehensive Risk Commissions.



Secretary
José Eduardo Álvarez-Naveiro Sánchez
(non-director).



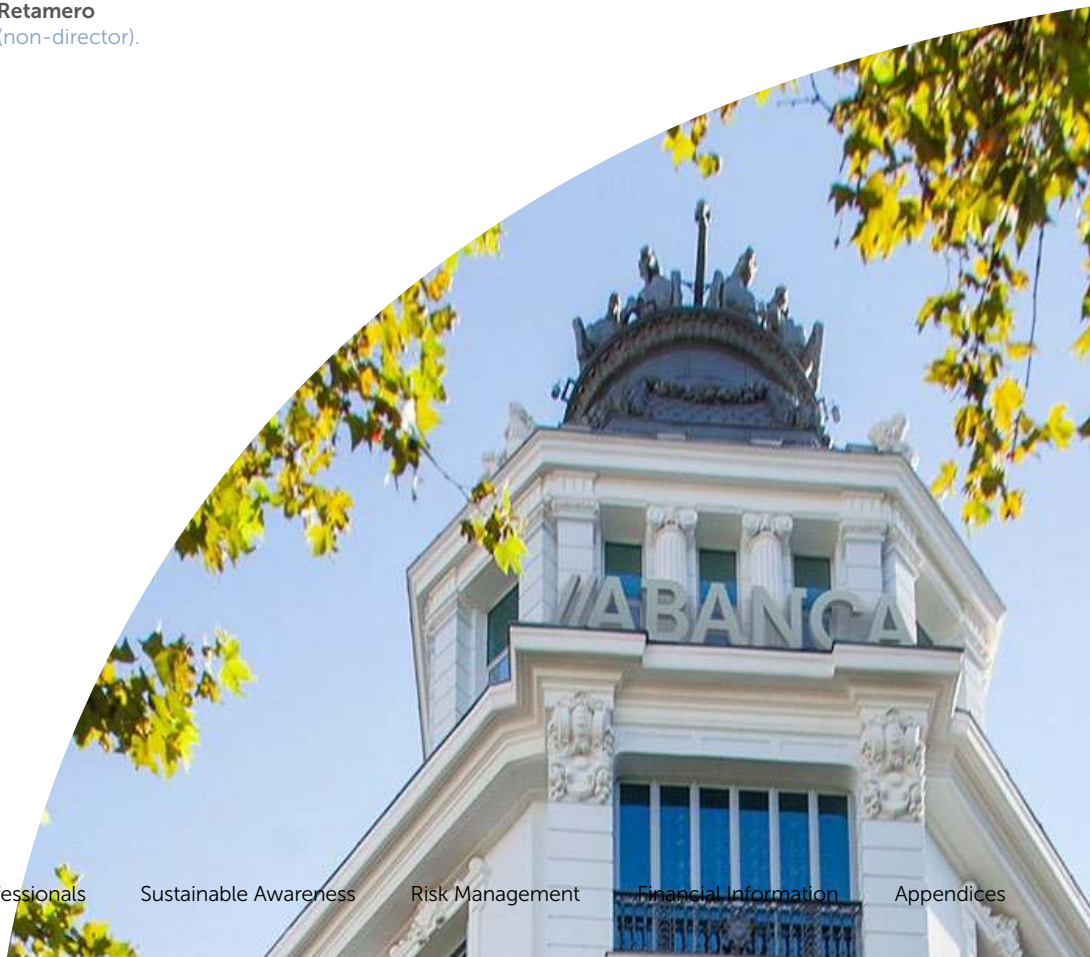
Director
José Ramón Rodrigo Zarza
Independent director
Appointment: August 2014
Other positions: Delegate Credit, Audit and Compliance, Nomination and Sustainability Committees.



Deputy Secretary
María Consolación Borrás Retamero
(non-director).



Director
Rosa María Sánchez Yebra Alonso
Independent director
Appointment: November 2021
Other positions: Comprehensive Risk Commission.

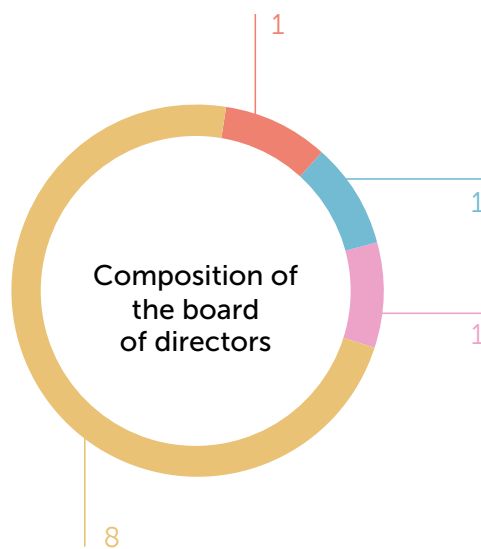




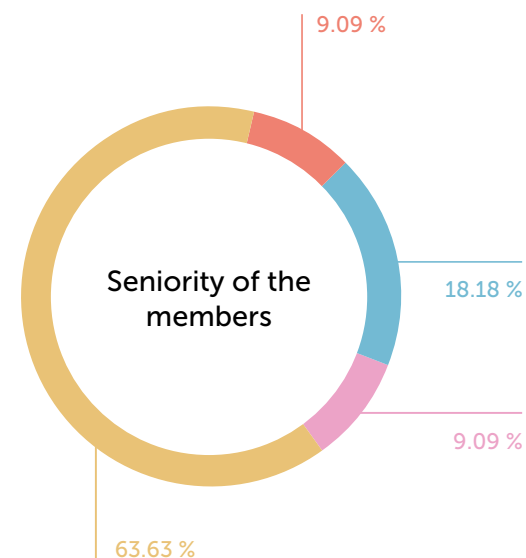
» **In accordance with Article 529, twelfth of the Corporations Act,** «independent directors shall be considered those who, appointed in accordance with their personal and professional standings, can carry out their duties without being conditioned by relationships with the company or its group, its significant shareholders or its managers».



» **Additionally, section Six (Types of Directors) of ABANCA's Suitability Policy, establishes that** «...the number of independent directors shall represent the majority in the composition of the Board of Directors». So much so that, in the current composition of ABANCA's Board of Directors, 72.72 % of the directors are independent.



- Independent
- Other externals
- Executive
- Dominical



- More than 5 years
- More than 3 years
- More than 1 year
- Less than 1 year

The selection of the members of the Board of Directors was made on the basis of professionalism, independence, diversity, personal prestige and bank management experience, and is governed by the principles and rules established in the Policy for the Selection and Continuous Evaluation in relation to Suitability and Qualification of Directors of ABANCA Corporación Bancaria, S.A. Said principles are public and can be consulted in the corporate website www.abancacorporacionbancaria.com.



Distribution by sex and age of the Board of Directors

405-1

	2019					2020					2021				
	Women		Men		% Total	Women		Men		% Total	Women		Men		% Total
	N.º	%	N.º	%		N.º	%	N.º	%		N.º	%	N.º	%	
Under 30	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Between 30 and 50 years	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Over 50	3	33.3 %	6	66.6 %	100 %	3	30.0 %	7	70.0 %	100 %	4	36.4 %	7	63.6 %	100 %
Total	3	33.3 %	6	66.6 %	100 %	3	30.0 %	7	70.0 %	100 %	4	36.4 %	7	63.6 %	100 %

As regards economic, environmental and social competencies, the Regulation of the Board of Directors establishes in its Article 4 the non-delegable competencies exercised by the Board including, namely, the following economic competencies:



1

To approve the major strategies of the company and group of which it is the Parent, in addition to monitoring and supervising their execution, assuming responsibility for the administration and management of the company and for the approval and application of their strategic objectives and risk strategy.



3

To approve all sorts of investments or transactions of a strategic nature, unless their approval corresponds to the shareholders at the Annual General Meeting.



5

To actively participate in the management of all the substantial risks envisaged in solvency regulations, to ensure the assignment of the adequate resources for risk management and participate in the assessment of assets and in the use of external credit ratings and the internal models relative to these risks.



2

To guarantee the integrity of the accounting and financial information systems, including financial and operational control, and compliance with the applicable legislation.



4

To formulate the separate and consolidated financial statements and other financial information that the company must disclose on a regular basis, in addition to the proposed distribution of results.



6

To regularly approve and review the strategies and policies relating to assumption, management, supervision and risk reduction strategies and policies to which the company is or may be exposed, including those arising from the macroeconomic situation in relation to the phase of the economic cycle.

Furthermore, as set out in point 2 of section Four (General requirements) of the Policy for the Selection and Continuous Evaluation of the Suitability and Qualification of ABANCA Directors ("the Suitability Policy"), "The main purpose of all the directors, regardless of the origin or cause of their appointment, will be to defend the Bank's interests, understood as the achievement of a profitable business that is sustainable in the long term and that promotes its continuity and maximisation of the company's economic value. In the pursuit of social

interest, in addition to respecting laws and regulations and conduct based on good faith, ethics and respect for usage and commonly accepted good practices, the directors shall endeavour to reconcile their own social interest with, as appropriate, the legitimate interests of the employees, suppliers, customers and other stakeholders that may be affected, as well as the impact of the Bank's activities on the community as a whole and on the environment. They shall discharge their functions effectively, objectively and independently".



Committees and Commissions

102-19, 102-22, 102-33



Director	Position	Category	Appointment
Francisco Botas Ratera	Chairman	Executive	August 2014
Manuel López Figueroa	Director	Independent director	March 2020
Pedro Raúl López Jácome	Director	Other non-executive	August 2014
José Ramón Rodrigo Zarza	Director	Independent director	August 2014
José Eduardo Álvarez-Naveiro Sánchez	Secretary (non-director)		
José Luis Dorrego Martín-Barbadillo	Deputy Secretary (non-director)		


of AUDITING AND COMPLIANCE

Director	Position	Category	Appointment
Leticia Iglesias Herraiz	Chairwoman	Independent director	August 2018
José García Montalvo	Director	Independent director	May 2018 ⁽¹⁾
Pedro Raúl López Jácome	Director	Other non-executive	August 2014
José Ramón Rodrigo Zarza	Director	Independent director	August 2014
Carina Szpilka Lázaro	Director	Independent director	December 2014
José Eduardo Álvarez-Naveiro Sánchez	Secretary (non-director)		

(1) Was Chairman from August 2014 to August 2018.


COMPREHENSIVE RISK

102-30

Director	Position	Category	Appointment
José García Montalvo	Chairman	Independent director	September 2018 ⁽¹⁾
Ana da Cunha Barros	Director	Independent director	October 2020
Leticia Iglesias Herraiz	Director	Independent director	September 2018
Rosa María Sánchez-Yebra Alonso	Director	Independent director	November 2021
José Eduardo Álvarez-Naveiro Sánchez	Secretary (non-director)		

(1) Was director from August 2014 to September 2018.


NOMINATION AND SUSTAINABILITY COMMITTEE

102-24

Director	Position	Category	Appointment
Eduardo Eraña Guerra	Chairman	Independent director	October 2016
Pedro Raúl López Jácome	Director	Other non-executive	June 2016
José Ramón Rodrigo Zarza	Director	Independent director	December 2014
José Eduardo Álvarez-Naveiro Sánchez	Secretary (non-director)		


REMUNERATION

Director	Position	Category	Appointment
Carina Szpilka Lázaro	Chairwoman	Independent director	June 2016
José García Montalvo	Director	Independent director	August 2014
Pedro Raúl López Jácome	Director	Other non-executive	June 2016 ⁽¹⁾
José Eduardo Álvarez-Naveiro Sánchez	Secretary (non-director)		

(1) Was Chairman from August 2014 to June 2016

Changes in the Board of Directors in 2021

The Board of Directors, in its session held on 28 June 2021, agreed to approve, at the proposal of the Nomination and Sustainability Committee, the appointment of Ms. Rosa María Sánchez-Yebra Alonso as independent director of ABANCA Corporación Bancaria, S.A., to whose appointment on 21 October 2021 the European Central Bank did not oppose, which will take effect, pursuant to the applicable regulation, from the date of her acceptance on 29 November.

Operation and relevant matters in the year

102-26, 102-27, 102-29, 102-34



1

The Annual General Meeting was held on **28 June 2021**. The shareholders at the Meeting approved all the decisive agenda points, namely, for such purposes, the amendment of the Bylaws (introductory section and articles 20, 25 and 38). In order to reflect the Company's objective, vision and values, the possibility of holding Annual General Meetings exclusively online was established and the remittance of voting confirmation to shareholders who have voted electronically, which is only required of listed companies, was regulated. All pursuant to the amendments to the Consolidated Spanish Limited Liability

Companies Law (RD Law 1/2010, of 2 July) implemented by Law 5/2021, of 12 April. The resolutions are detailed on the corporate website, under the Annual General Meeting section.



Proposals and resolutions.





2

Furthermore, in 2021 measures were carried out to promote corporate governance good practices, within the framework of the Corporate Governance Excellence Plan. Some of the most significant measures were:

- Approving a Communication Policy in order to ensure the quality of the economic and financial information that it is adequately disseminated and known, facilitating its disclosure to the market, investors and other stakeholders.
- Amending the Regulation of the Board of Directors and the Policy for the Selection and Continuous Evaluation of the Suitability and Qualification of directors for the purpose of regulating that they inform and, where appropriate, resign in the event of any situation that may affect them, related or not to their performance in the Company, that may damage the credit and reputation of the Company and, in particular, of any criminal prosecution in which they are investigated.
- Attributing environmental and social functions to the Nomination Committee, consequently modifying its name to Nomination and Sustainability Committee.
- Broadcasting the 2021 Annual General Meeting live via the corporate website.

- Approving a specific Regulation for the Annual General Meeting.
- Including a virtual induction plan in the welcome pack for new Board members, thereby advancing in virtual training and informative formats.



Communication Policy.

Professionalism

The information about the members of the Board of Directors is available on ABANCA's corporate website, where both the professional experience and qualifications of each of its members are provided.

Regardless of the professionalism of each of its members, there is a continuous training plan for the Board of Directors which, in 2021, focused on aspects such as the evolution and state of the art of ICT risks, sustainability and climate change, and US banking regulation.



Remuneration

102-35, 102-36, 102-37

The remuneration of directors is determined in accordance with the Board of Directors' remuneration policy, updated by the shareholders at the Bank's Annual General Meeting held on 28 June 2021 (which was attended by 91.85 % of the directors). The proposal had 99.29 % favourable votes.

Management Committee

102-20, 202-2



Francisco Botas Ratera
Consejero Delegado



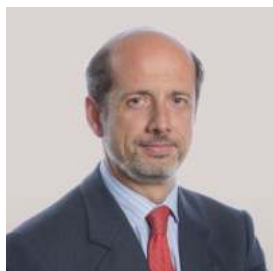
José Eduardo Álvarez-Naveiro Sánchez
D.G. Gobierno Corporativo y Asuntos Legales



Luis Beraza de Diego
GM Business in Spain



María Camino Agra
GM Human Capital



Alfonso Caruana Cámara
GM International Business



Alberto De Francisco Guisasola
GM Finance



Miguel Ángel Escotet Álvarez
GM Corporate Social Responsibility and Communication



Pablo Triñanes Lago
GM Corporate Control and Risks



José Manuel Valiño Blanco
GM IT, Information, Processes and Operations



Pedro Veiga Fernández
GM Strategic Planning and PMO



Juan Luis Vargas-Zúñiga Mendoza
GM Capital Markets, Management and Institutional Distribution



José Luis Vázquez Fernández
GM Credit

Changes in the Management Committee

In 2021, no changes took place in the composition of the Management Committee.

In 2021, Julián José Serrapio Vigo, as general auditor, Álvaro García Diéguez, as managing director of ABANCA Seguros, and Jorge Martínez Martínez, as general manager of Means of Payment and Consumer Affairs, continued to form part of the Management Committee. All of them are invited, with the right to speak but not to vote.



Economic environment and

strategic plan

ECONOMIC outlook

102-15

Following the economic contraction registered in 2020 as a result of the pandemic outbreak, which led global GDP to fall by (3.1 %), in 2021 global economic activity recovered with a 5.9 % growth. Global productive capacity has faced certain difficulties to meet the strong demand rebound following the easing of the most restrictive measures taken to address the pandemic. Frictions have taken the form of tensions in global supply chains and shortages for certain commodities, which have resulted in significant inflationary pressure.

In Europe, the Eurozone economy grew by 5.3 % in 2021 as a whole. Among major economies, France (+7.0 %) and Italy (+6.5 %) led the recovery, while Germany's growth was hampered by the automotive industry's difficulties and limited to 2.8 %.

In Spain, economic activity continued on a path of gradual recovery, in a context of gradual easing of pandemic containment measures and advances in the vaccination process. Except for incoming tourism and new vehicle

registrations, major activity indicators were close to pre-pandemic levels.

During the last quarter of the year, notwithstanding the impact of the sixth COVID wave, the economy continued its positive performance with a 2.0 % quarterly growth. In 2021 as a whole, Spain's GDP grew by 5.0 %.

The labour market has registered a stronger recovery, exceeding pre-pandemic levels in both the number of registrations in the Social Security Scheme (+3.0 %) and employed persons (+1.1 %). At the end of the year, unemployment stood at 13.3 %, a 2.8 % decrease in the year, with five tenths of a percentage reduction compared to the end of 2019. For its part, the number of workers affected by temporary suspensions of employment implemented through ERTE (Spanish acronym for "Temporary Labour Force Adjustment Scheme") fell down to 120 thousand (compared to over 930 thousand at the beginning of the year).

Inflation picked up strongly during the last months of the year, mainly conditional

on the increase of energy prices. In particular, at the end of the year general inflation stood at 6.5 %, the highest inflation rate registered since 1992, while underlying inflation stood at 2.4 %.

Galician economy, after registering a 5.2 % growth in 2021, exceeding the overall rate for Spain by two tenths. In terms of GDP, this narrowed the gap with pre-pandemic levels to -2.3 % in 4Q 2021 compared to -4.0% for the whole of Spain. In the labour market, the number of registrations exceeded pre-pandemic levels by 2.0 %, while the unemployment rate ended the year at 11.0 %, 2.3 percentage points below the national average.

FINANCIAL environment

Economic recovery and inflationary pressure have led the major central banks to begin a gradual withdrawal of monetary stimuli. In the United States, the Federal Reserve announced that it would start raising interest rates in March 2022 and that it would simultaneously start a process of balance sheet reduction. In Europe, the European Central Bank began the last quarter of 2021 by lowering the pace of monthly net asset purchases under the pandemic emergency purchase program (PEPP) and by announcing that in March 2022, it will advance in the monetary easing process.



»» In this context, public debt yields

have registered an increasing trend since late in July. In particular, at the end of December, the yield from Spain's 10-year bond reached 0.60 % (+54 basis points in the year) and the Bund's IRR increased to -0.18 % (+40 b.p. in 2021). Thus, at the end of the year Spain's risk premium stood at around 75 basis points. In the interbank market, 12-month Euribor closed 2021 at -0.50 %.

2021-2024 Strategic Plan

103-2, 103-3

2021 was the first year of ABANCA's new Strategic Plan, which will be implemented in the four-year period 2021-2024. The Plan clearly differentiates between the short and medium term in the Bank's scope of operations: a short term conditioned by the uncertainty associated with the early days of the pandemic and a medium term marked by the focus on sustainable growth.

The 2021-2024 Plan pivots on four main strategic lines:



1

Increase of the generation of recurring revenue: It will be mainly articulated by promoting the insurance activity with the deployment of the company ABANCA Seguros Generales (ASG), converting us into a benchmark in customer savings assessment and maintaining our focus on consumer finance and means of payment, financing SMEs and businesses and boosting the acquisition of value customers.

2

Cost efficiency: optimising the omnichannel distribution model in a context of increasing digital adoption by customers, streamlining support structures and capturing the value of the synergies arising from inorganic growth.

3

Management of risks associated with the current environment, with a selective risk appetite framework (less impacted and more sustainable sectors) and reinforcing recovery processes by developing greater anticipation capacity.

4

Exponential transformation of the organisation: promoting the digitalisation of processes and development of new skills (reskilling), with a special focus on digitalisation and sustainability.

» In 2021 the objectives marked for this first year of the Plan were achieved, exceeding expected PBT by €7.7 million despite a yield curve that has maintained its negative dynamics and an environment marked by uncertainty and restrictions arising from the pandemic. Revenue exceeded €108,000 million with an annual growth of 18.8 %, spearheaded by the incorporation of Bankoia in the first quarter and of the Novo Banco business in Spain in the fourth quarter.



Despite the difficulties arising from the COVID context, in 2021 the dynamic of compliance with the objectives established in the Plan from previous years was maintained, reaching a global compliance of 103 %, and highlighting the following milestones:

- 1 Profitable growth with improved recurrence: a PBT of €323 million was reached, up 102 % on the previous year, beating recurring revenue targets with interest income that exceeded expectations, as with the basic margin, after incorporating commission income and the contribution from the insurance business.
- 2 Growth in insurance and savings counselling: with the launch of proprietary insurance products (ABANCA General Insurance) as the focal point of the strategy. The insurance activity contributes €96 million to the income statement in 2021, after increasing the share of premiums written in the insurance banking channel, with improvement in all the lines. In value-added products, the Bank increased its market share significantly in: investment funds (+62 b.p. in the year) and pension plans (+62 b.p.).
- 3 Selective credit growth focused on supporting the business fabric: financing for SMEs and self-employed professionals continued to drive loans, with corporate financing growing +43 b.p. during the year, reaching a normal credit volume in excess of €45,000 million, up 19 % on 2020 year-end.
- 4 Risk quality: the NPL ratio was reduced to 2.13 %, clearly exceeding the Plan's target and ABANCA became the Spanish Entity with the lowest NPL ratio (in line with the European average) and with a higher non-performing asset coverage (NPLs and foreclosures), which reached 76.4 %, the highest in the Spanish sector.
- 5 Solvency and liquidity: ABANCA ended 2021 with a total capital ratio of around 17 % and with excess total capital of €1.527 million. The financing structure continues to be clearly based on retail deposits, which grew 17 % in the year, with LTD of 92.3 %.

MAIN
milestones 2021
102-10



1

AT1 bond issues

ABANCA closed the AT1 bond issue with overdemand and at a very low interest rate. The issue of €375 million aroused great interest in the market, generating a demand of more than €2,100 million, an amount representing 5.7 times the amount of the issue, and was fully placed in approximately three hours among mainly European institutional investors.

Despite the difficult economic context in which it was made, remuneration was set at 6 %, an interest rate 150 basis points lower than that recorded in the previous issue of this type of debt made by ABANCA, which reflects the favourable market perception of the Entity's positive evolution in recent years.



2

ABANCA will be emission-neutral

ABANCA will achieve carbon neutrality in its activity and will have a sustainable alternative for its financial products in 2024. These are two of the objectives of the Responsible and Sustainable Banking Action Plan 2021-2024, presented by the Bank's Chairman, Juan Carlos Escotet Rodríguez and the CEO, Francisco Botas, in Santiago in May. In line with the objectives of the Paris Agreement, the Bank aims to achieve the zero emissions attributable to its portfolio by 2050.

The action plan includes the roadmap and the objectives established by the Bank for the coming years with the aim of becoming a relevant actor in the sphere of sustainability; supporting sustainable economic activity by

incorporating environmental, social and governance (ESG) aspects in the management, business and risk model; and accompanying its customers in the transition to sustainability.

The actions envisaged to drive an environmentally-friendly economic and social model is structured on three main lines of action on which the Bank has been working for some time now: environment, with measures for addressing the climate emergency; socio-economic, aimed at driving recovery and transformation towards sustainable development; and good governance, embodied in a management model aimed at stakeholders' needs and with a special focus on new risks.



3

Moody's upgraded ABANCA to investment grade with a stable outlook

On 14 July 2021, the rating agency increased ABANCA's long-term rating (long-term bank deposits) by one notch from Ba1 to Baa3, upgrading it to investment grade while maintaining its stable outlook. After this decision, ABANCA has investment grade in its Moody's, Fitch and DBRS ratings. The change in rating was due to the agency's new methodology and to its recognition of the Bank's financial profile, which it considered stable in the current economic context. In its rating, Moody's highlighted ABANCA's resilience, asset quality, solvency and expected rate of return.



4

ABANCA drove the insurance business with its first own general products and an omnichannel model

Through its subsidiary ABANCA General Insurance, it launched its first proprietary insurance products: car insurance and life and payment protection insurance. They are the first insurance products of a differential, customer-oriented offering with simple, innovative and modular products that can be personalised with optional covers and pay-per-use. In addition, customers can take out and manage their policies via a digital platform accessible both from the office and from the remote channels.

The incorporation of ABANCA Seguros Generales in joint venture with Crédit Agricole Assurances has enabled the Entity to make a qualitative leap in the insurance business and manage its own products in non-life branches. In addition to developing the new products, it will be fully responsible for managing loss occurrences through a specialised and polyvalent team with autonomous decision-making capacity, who will accompany the customer from the notification of the loss occurrence to the repair service and/or indemnity.



5

ABANCA closed its first green bond issue

On 1 September, ABANCA closed the economic terms for its inaugural €500 million issue of Senior Preferred bonds. The ratings obtained from Fitch (BBB-) and Moody's (Baa3) confer investment grade status on the bonds, allowing the Bank to access the most demanding part of the investment spectrum. The issue aroused great interest among investors, with a demand that tripled the amount issued. The issue was placed among professional customers and eligible counterparties, with significant presence of specialised investors with ASG profile.

With this issue, ABANCA continues to advance in its roadmap in the fulfilment of our minimum requirements for equity and eligible liabilities (MREL) established by the regulator. With this issue, the Entity has already exceeded MREL requirement marked for 2022 by more than 150 basis points. After this placement, ABANCA increased its anti-crisis buffers in addition to fulfilling one of the objectives established in the Bank's Responsible and Sustainable Banking Action Plan 2021-2024.





6

Acquisition of the business of Novo Banco, S.A.

On 30 November 2021, once the applicable authorisations from the Ministry of Economic Affairs and Digital Transformation were received, ABANCA and Novo Banco S.A. closed the purchase and sale of the Portuguese bank's business in Spain. The signing act took place in ABANCA's institutional head office in Madrid and included the participation, on ABANCA's behalf, of its Chairman, Juan Carlos Escotet Rodríguez, and its CEO, Francisco Botas, while Novo Banco was represented by its CEO, Antonio Ramalho.

With this transaction, ABANCA's revenue exceeds €107,000 million and reinforces its positioning in two priority areas of activity: the personal and private banking business and the corporate business. The acquisition, which involves the incorporation of the acquired business for accounting purposes, has a low execution risk and minimum use of capital, around 25 basis points in CET1, less than that initially estimated.



7

50 masterpieces from the ABANCA Collection' exhibition

On 13 October, the exhibition entitled '50 masterpieces from the ABANCA Collection' was presented at the Fines Arts Museum of Asturias. The exhibition constitutes one of the Asturian museum's main focuses for 2021 and offers the possibility of taking an extensive tour of one of the most exciting and richest periods in the history of contemporary art: from the emergence of the first avant-garde movements in the first decades of the 20th century to the present day.



8

Incorporation of Bankoa

In November, ABANCA completed the incorporation of Bankoa with the performance of the last two transactions of the process: the implementation of the trademark and the transfer of the activity to ABANCA's technological and operational platform.

The technological migration and rebranding put an end to a process initiated in July 2020 with the announcement of the preliminary agreement between ABANCA and Crédit Agricole for the purchase and sale of Bankoa. The definitive agreement was entered into two months later, in September of the same year. The transaction was signed in January 2021, after which Bankoa was incorporated for all legal and accounting purposes in the ABANCA Group. The Bankoa merger process was approved by ABANCA's Board of Directors in April.



9

Inauguration of Madrid Espacio Serrano 45

On 2 December, ABANCA inaugurated Madrid Espacio Serrano 45, an innovative centre equipped with the most advanced technology and built to the highest sustainability standards, in line with the Entity's commitment to the environment. With Espacio Serrano 45, the Entity takes a decisive step forward in the evolution of its commercial model and in the way of relating to its customers, with the aim of offering them a differential experience and convenience with the minimum environmental impact.

The new space, which occupies 630 square metres and is located in one of the most unique and economically vibrant districts of the capital, is characterised by its sustainable design and construction and open interior architecture, transparent and with different natural elements, which adapts to the customers, offers them convenience and connects them with nature.

LINES of action and perspectives for 2022

102-6, 103-2

The global economy will continue to expand in 2022, although at a slower pace after the rebound in 2021. The global GDP could grow by 4.4 % in the year according to the International Monetary Fund forecasts. Projections for the Eurozone point to a growth of around 4.0 %.

In Spain, forecasts point to an acceleration of the activity in the central quarters of the year due to the capitalisation of the European funds, the recovery for the international tourist sector and the stabilisation of the growth in consumption. As a result, growth of 5.7 % is expected for the year as a whole.

The main risks for growth in the short and medium term derive from the recent events in the Russia-Ukraine conflict, accentuating the pressure on prices of raw materials and motivating the persistence of high inflation levels and hindering the standardisation of global supply chains, factors that could generate growth rates lower than those projected in the main scenario.

In this context in which activity will foreseeably be carried on in 2022, ABANCA will continue to execute the Strategic Plan for the four-year period 2021-2024.



Business

model



102-2. ABANCA is currently one of the most relevant banks in the Spanish financial system (seventh bank by asset volume in December 2021) with strong asset quality levels (the second-lowest rate of non-performing loans and the highest levels of non-performing asset coverage of the sector), profitability, solvency, liquidity and efficiency that reinforce the sustainability of its business model.

ABANCA's business model is clearly focused on retail commercial banking, specifically the provision of financial and credit services for individuals and companies (mainly SMEs and self-employed professionals) through a multichannel distribution platform (branch offices, mobile banking, ATMs, payment methods, etc.). NPL management, although it has progressively lost bearing in recent years after its strong reduction (€-3,145 million since 14 December, around -66 %), is a priority

for the Bank, to which end an action policy designed under the premise of maximising the value of these assets is implemented. Also, ABANCA operates in financial markets as a diversifying source of recurring revenue and for contributing to the optimisation of resources and risks.

One of the pillars of ABANCA's business model is to maintain the ownership of most of the businesses through which it provides financial services (insurance, cards, funds, plans, payment management, real estate servicing, etc.), with the aim of retaining the value generated within the Entity and guaranteeing high levels of customer experience by controlling the value chain. Another objective of this strategy is to become a source of diversification and generation of recurring revenue, in addition to a potential lever for capital generation.



DISTRIBUTION channels

102-4, 102-6

ABANCA is committed to a customer relationship model based on omnichannelling, in which the customer decides how and when to perform their financial transactions, maintaining the traditional branch office as the centre of personalised attention and main relationship channel, complemented with the growing support of alternative channels (mobile banking, means of payment, ATMs, POS terminals, etc.).

Branch Office Network

Within this multi-channel distribution model, ABANCA positions itself in the market in a differentiated manner by geographic area:

SPAIN (634)

where in 2021 it reinforced its presence with the incorporation of Bankoa (33 branch offices, most of which located in the Basque Country) and Novobanco (10 branch offices):

- In the autonomous regions of Galicia, Asturias and Extremadura and in the province of León, ABANCA has a proximity network with strong capillarity focused on families and SMEs and a specialist service for personal banking customers, micro-enterprises and self-employed professionals and corporate customers, and areas of activity focused on key

industries (agri-food, maritime, etc.), always complemented with remote banking services that enable customers to perform their transactions.

- In the rest of Spain, ABANCA has a much more selective physical network, aimed at corporate or high net worth customers and highly dependent on remote service provision (mobile banking, ATMs, POS terminals, etc.). The acquisition of Bankoa has reinforced the presence of ABANCA in the Basque Country, especially in the corporate and private banking segments.

PORTUGAL (69 points of sale)

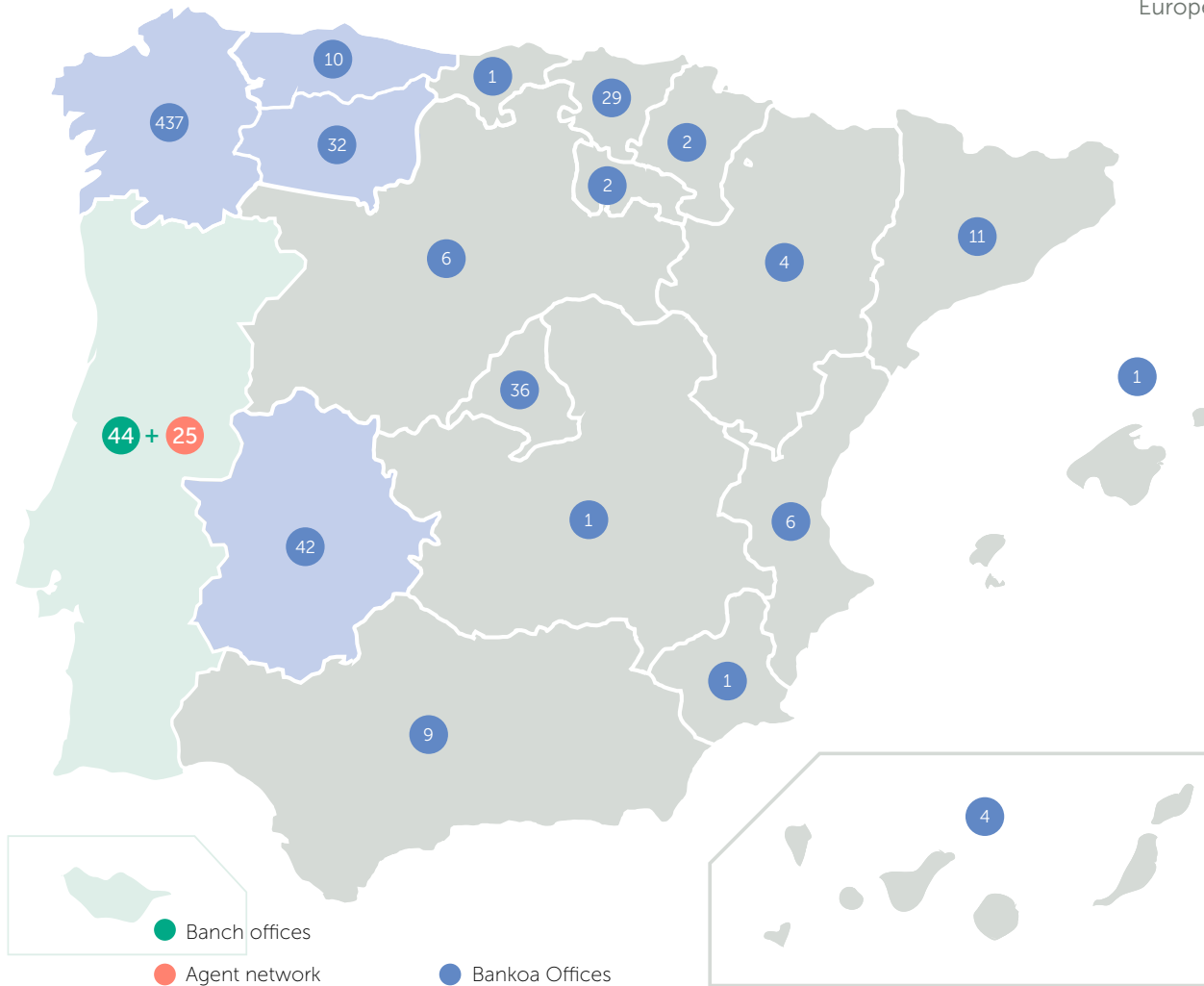
since the Portuguese market plays a special role in ABANCA's long-term plans due to its close economic relationship with Spain. ABANCA's position in Portugal focuses on private banking, SMEs, insurance, consumption and digital solutions. ABANCA has 44 operational branch offices in Portugal, supported by digital solutions (mobile banking) which, together with 25 developers, totals 69 points of sale in the country.

INTERNATIONAL PRESENCE (10)

ABANCA's presence abroad is supplemented with two branch offices operating in Switzerland (Geneva) and the United States (Miami) and eight representative offices (France, United Kingdom, Switzerland, Germany, Panama, Brazil, Mexico and Venezuela) focused on assisting the large community of entrepreneurs and families of Spanish origin in European and American countries.



» ABANCA ended 2021 with a network of 688 branch offices, of which 634 are located in Spain and 54 abroad, distributed across ten European and American countries.



This geographic distribution is supported on an innovative and differential model whose main characteristics are, inter alia, experience in meeting customer needs, the combination of personal and customer attention and digital channels (online and mobile banking, ATMs, etc.), service through specialist units, simplicity and transparency in the contracting and management of products and services, and international focus.

In recent years, ABANCA has continued to advance in its network optimisation process, adjusting the branch offices based on the demography and economic activity of the area. Additionally, ABANCA has leveraged the opportunities that have arisen in the sector to acquire businesses and banks which have allowed it to improve its positioning as an Iberian operator, such as Deutsche Bank PCB in Portugal and Banco Caixa Geral, Bankoia and Novobanco in Spain.

Digital channels

ABANCA Digital

103-2, 103-3, FS13, FS14

ABANCA has a virtual banking service (electronic, telephone and mobile banking) which is used by 68 % of its customers. ABANCA's mobile banking has more than 1.1 million users and is among the best valued of the Spanish financial system by the users (according to Google Play Store and Apple Store).

In order to adapt to new customer habits, ABANCA has implemented a digitalisation strategy, accelerated by the outbreak of the COVID-19 pandemic. In addition to reinforcing the capabilities of its virtual banking, it has launched several payment tools (ABANCA Pay, ABANCA Cash, Samsung Pay and contactless technology) and products adapted to the demands of digital customers. ABANCA also launched ABANCA Conecta, a new customer relationship model that complements its remote communication tools with incorporated and personalised management through an agent.

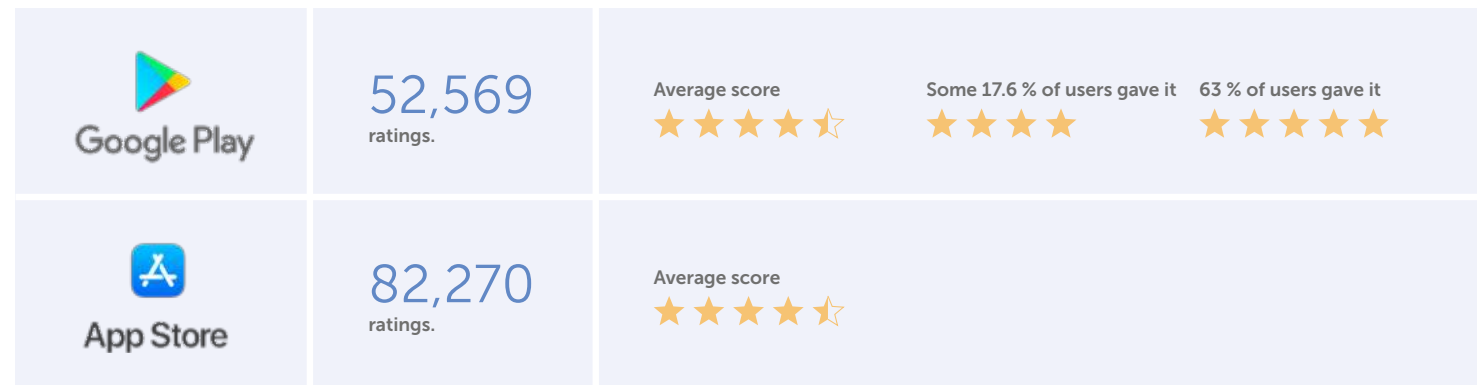
This digital strategy has enabled ABANCA to continue to increase the number of active digital customers, with a special focus on electronic and mobile banking to perform all manner of transactions and manage and contract products over the website and by telephone. In 2021, 85 % of ABANCA's customers used remote services for their queries and transactions and 70% of the bank's transactions were performed via digital channels.

Mobile banking plays an active role in driving the digital transformation undertaken by ABANCA within its

omnichannel strategy. Beyond all manner of transactional operations such as product consultations, money transfers, mobile cash withdrawals from ATMs or payment of bills with a photograph, the App includes new commercial possibilities. Among them, the most frequent are the arrangement of loans, contributions to plans or funds, insurance policy management or deferral of card payments, inter alia.

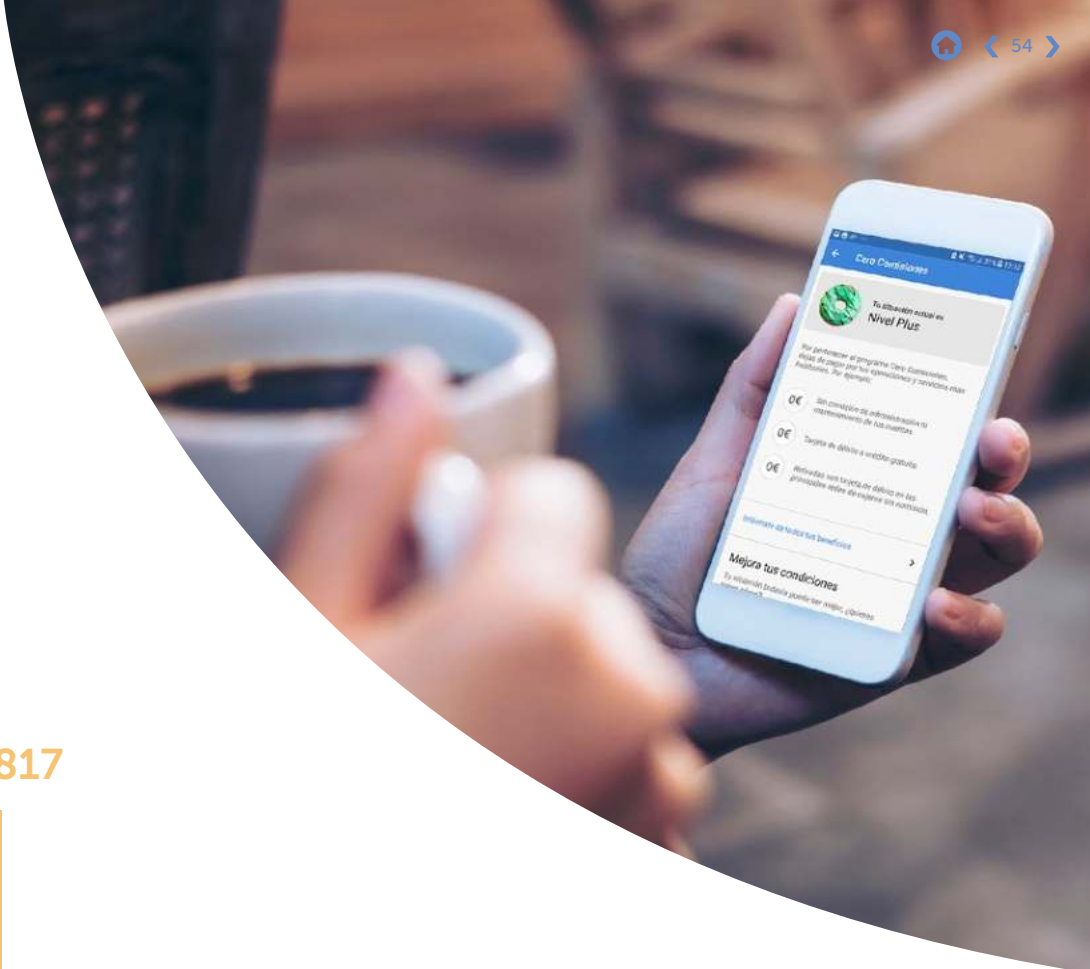


» **ABANCA's mobile banking** is among the most highly valued by the Spanish financial system by the users (according to Google Play Store and Apple Store) and is used by two out of every three of the Bank's private customers.

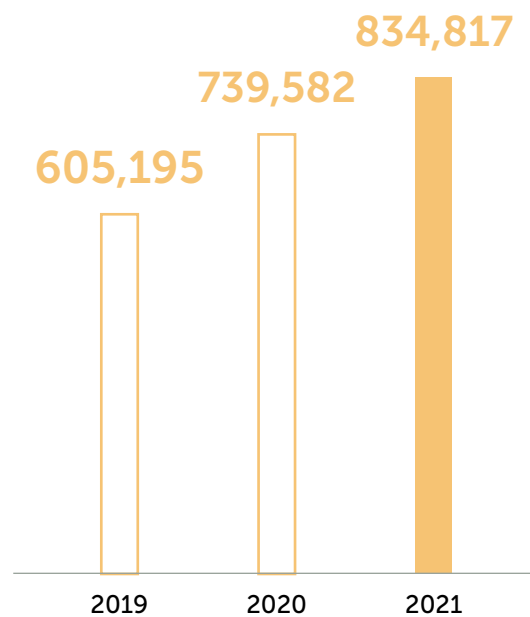


This technological potential contributes to drive the Bank's digital business, since its digital channels account for 90% of transfers or the purchase and sale of relevant values and figures and increasingly important in contributions to pension plans, formalisation of pre-authorized loans or credit card limit extensions. All without forgetting that the App already records more than 22.5 million monthly connections, equally contributing to avoid having to make numerous visits to branch offices and avoid using paper-based documents.

Since it was launched, the Entity's mobile banking service has evidenced its technological leadership capacity in the financial sector. Created and developed by the Bank in Galicia, this App was one of the first among Spanish banks to incorporate fingerprints or facial identification, as a recognition method, adopt the highest security standards or obtain Ilunion certification that guarantees that the application is fully accessible to disabled persons.



Evolution of clients connected to mobile banking (units-month data)





New digital registration process: we have carried out an in-depth revision and optimisation process of the digital registration form, which facilitates onboarding of new customers in the Bank. As a result, this process can be performed quickly and easily, making it possible to complete in just a few minutes and using only a web browser and the camera of your device.

The main improvements incorporated were, inter alia, as follows:

- Users remain in the same channel at all times, their web browser, where they complete all the necessary steps in an end-to-end process: provide their particulars, provide the documentation required by the regulation and electronic signature of their new products.
- The registration form optimally adapts to and can be displayed on all devices, whether a smartphone, a PC or a tablet.
- Validation of the customer's identity is performed in a quick and convenient manner for the user through a video-selfie and biometric technology.

This significant improvement took place thanks to the major effort made by many of the Bank's units, based on the feedback provided by customers through multiple internal and external sources, and thanks to the adoption of cutting-edge technologies..

ATMs

ABANCA offers its customers a network of 1,136 ATMs that continuously include new functionalities that make it possible to easily perform practically all the operations usually performed by a customer. Also, ABANCA has a wide network of point-of-sale terminals (51,675 units) and card fleet (2.7 million units).



» **These alternative channels to branch offices** play a relevant role in improving the bank's efficiency, making it possible to reduce recurring transactional activity in branch offices in favour of a more personalised commercial activity and with higher added value for customers.



Main lines of business and products

102-2, 102-6, 103-2, 103-3, FS6, FS13

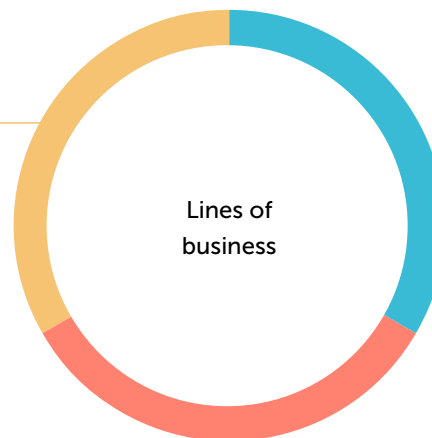
ABANCA defines three priority lines of business:

Constitutes the Bank's main line of activity, around which ABANCA's most recurring activity is carried on and is oriented towards all types of retail customers (individuals, companies and public administrations), offering a range of financial and para-financial products both through its branch office network and alternative distribution channels (mobile banking, Internet, ATMs, POS terminals, etc.). Within this line of activity, individuals and small companies are considered strategic.

In 2021, this line of activity accounted for 76 % of gross margin and 80 % of the Bank's PBT, accounting for 58 % of assets and 62 % of liabilities.

Retail banking

1



2 Wholesale banking

Basically includes treasury transactions and trading in financial markets (issues, fixed income and equities portfolio, derivatives, etc.). It also includes assessment activities in mergers and acquisitions consisting mainly of the comprehensive management of purchase/sale transactions and shareholder movements in the Iberian market, in addition to capital increases, debt restructuring and other corporate transactions.

This line of activity accounted for 15 % of gross margin and the Bank's PBT, accounting for 39 % of assets and 35 % of liabilities.

3 Non-financial subsidiaries

Portfolio of non-financial companies aimed to supporting the production fabric and the activities of the Parent, also contributing to ABANCA's results.

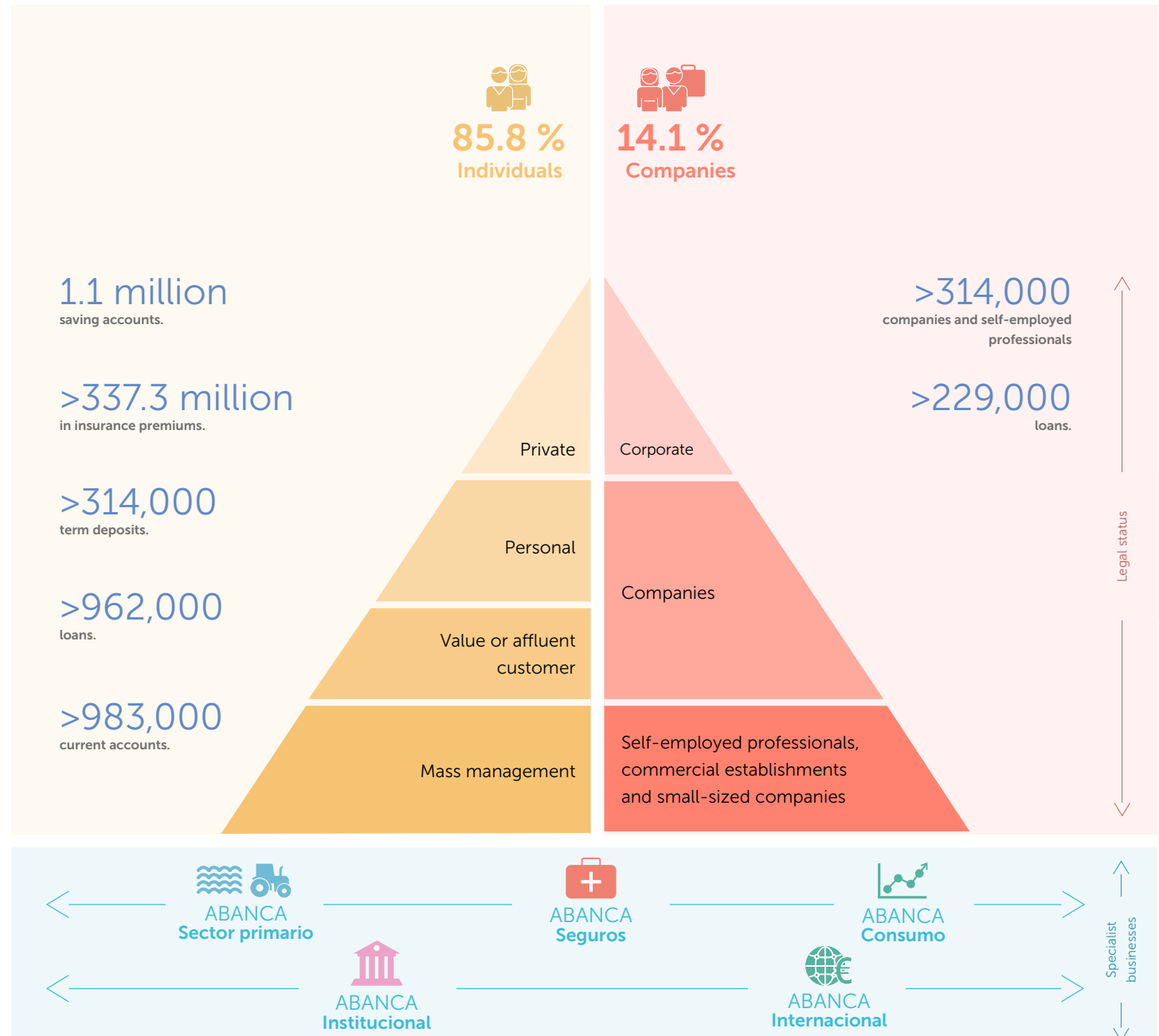
In 2021, this line of activity accounted for 8 % of gross margin and 5 % of the Bank's PBT, accounting for 3 % of assets and liabilities.

1. Retail banking

ABANCA focuses its most recurring activity in traditional, prudent, proximal and customer-oriented retail banking in which individuals, SMEs and self-employed professionals are the collectives that constitute the basic pillar on which the other specialised value propositions are supported.

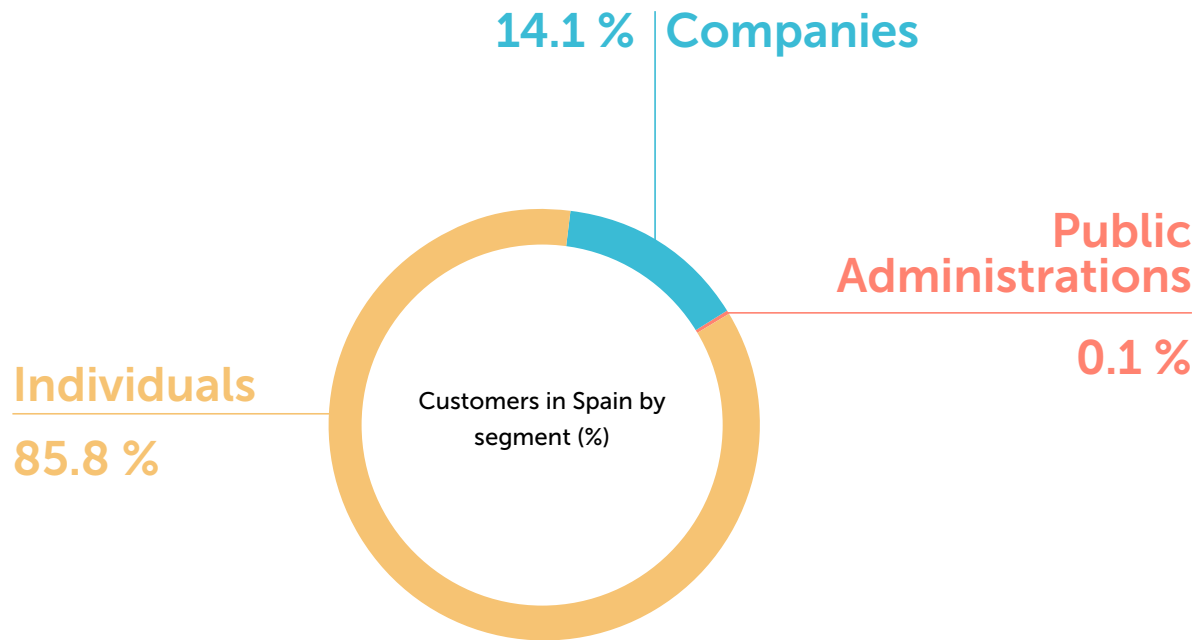
ABANCA's commercial strategy is articulated through segmentation by type of customer with the aim of offering products and services adapted to their needs, based on a differentiated service model and value proposition. These products and services are offered in a multi-channel environment, broadening the possibilities of the customer-bank interrelationship.

As indicated in the graph below, the customer segmentation is divided into two interconnected dimensions in order to provide the most personalised and professionalised possible customer service.



a) Segmentation by legal status

The first dimension classifies the customers by their legal nature and, on this basis, identifies more detailed categories:



Individuals

Individuals represent ABANCA's main client base, accounting for 86 % of its 2.2 million customers in Spain and the 40 % of the balance of financing granted to customers..

The Entity offers this collective a wide **range of products and services:**

- **Financing:** mortgages, personal loans and consumer finance, products that offer different alternatives designed to adapt to its customers' payment capacity and preferences. ABANCA complements this offering, inter alia, with bank guarantees and credit cards.
- **Savings:** term deposits, savings books, current and home-purchase savings accounts, investment funds in their different modalities, insurance, pension plans and fixed-term and equity securities.
- **Insurance:** ABANCA offers a wide range of insurance products aimed at meeting its customers' needs, both in the life and non-life segment (car, house, business, accident or savings, inter alia).
- **Other services:** direct debits, means of payment, brokerage of securities and continued operation through a wide range of customer service channels.

ABANCA carries out a **segmented and differentiated commercial management of its individual customers** in accordance with the financial capacity:



1

Mass management

It is the unit with the largest customer base, which are assisted by branch office staff following value-added criteria. It is the unit with the largest customer base, which are assisted by branch office employees following value-added criteria.



2

Value customers

The specialist members of the mass management unit also provide services adapted to the needs of customers with a larger number of products or services contracted with the ABANCA Group. These customers are assisted by specialist managers with whom they maintain a specific financial relationship.

After the acquisition of Deutsche Bank PCB, ABANCA leveraged on Deutsche Bank PCB's strong positioning in value-added products and experience with this type of customers to export its best practices to the management of the total customer portfolio.



3

Personal banking

Assists customers whose net worth and/or monthly income make them likely to contract alternative deposits products and personalised services. They are attended by specialist personal banking managers and advisors with "European Investment Practitioner" (EIP) and "European Financial Advisor" (EFA) certification, respectively, in financial markets, investment and savings products, regulations and standards, and financial planning and assessment, accredited by the European Financial Planning Association (EFPA).



4

Private Banking

This unit focuses on customers with high net worth, offering them highly personalised services, tailored to each customer's needs. The team of professionals who make up the private banking unit includes both senior advisors and asset managers, qualified in different areas related to financial assessment and asset management, with European certifications, such as the aforementioned EFPA.

Companies

Corporate service is also a priority in ABANCA's activity, particularly that oriented towards SMEs and self-employed professionals. ABANCA has more than 304,000 customers in Spain which are companies and self-employed professionals (14.1 % of the total), assisted by specialist managers assigned in accordance with their specific needs.

The products and services aimed at this segment include, namely:



1

Financing

- **Capital:** ABANCA provides companies with the liquidity they need to carry on their daily activity with traditional products such as discounts, advances or credit accounts, added to specific solutions such as confirming or reverse factoring.
- **Other purposes:** ABANCA provides traditional products such as loans, guarantees, overdrafts, leasing, renting, risk hedging products, etc., or specific solutions for foreign trade transactions. These include foreign trade assessment, import/export financing, foreign currency accounts, payment risk coverage and delivery of goods and international transfers, inter alia.



2

Cash savings/management

Although it shares the use of instruments common to individuals, companies have specific products such as "Cash Pooling" (cash management for groups of companies), current and savings accounts, deposits or joint promotion pension plans.



3

Other products and services

Insurance, e-Commerce, different lines of assessment on commercial reports, State aid and subsidies, bidding and public procurement projects, etc. Furthermore, the corporate segment has a specific electronic banking service.



» **The complexity of the corporate business** requires a high degree of technical and customer expertise, in addition to knowledge of financial custom-made solutions, to which end ABANCA has personalised attention units:

- **MCA Unit:** aimed at micro-enterprises, commercial establishments and self-employed professionals.
- **Companies and SMEs Unit:** aimed at small and medium-sized companies.
- **Corporate Banking Unit:** assists large companies. Leveraging its know-how, it also provides structures with "tailored" financing, in specialised formats (syndicated loans, project funding, tax lease, leveraged buy-outs of top-level securities, etc.), operating both at origin and in secondary market purchases of syndicated loans and search for international options, mainly in dollars.

b) Segmentation by specialist business

Additionally, the ABANCA Group segments its business in interconnected specialist areas for the following sectors:



1

ABANCA primary sector. 203-2, FS7, FS8. ABANCA Mar and ABANCA Agro are examples of specialist services for professionals, companies, co-operatives and other primary sector agents, encompassing the entire value chain of the agriculture and livestock breeding, wine, fisheries and aquaculture industries.

ABANCA Mar provides services to the maritime and fisheries industry through a network of 100 branch offices distributed throughout the coast. Its team of professionals offers financial solutions (products and services) adapted to the characteristics and needs of the fisheries and ancillary industry.

ABANCA Agro provides its services and support through a range of products designed for this collective (economic aid to those affected by fires, aid for livestock breeders, etc.). This service is provided through a large network of branch offices attended by executives who specialise in this industry.



2

ABANCA Insurance: The development of this line of business is of key importance as a generator of recurring revenue, while making it possible to diversify the sources of generation of resources.

ABANCA's insurance business is structured on three lines of action:

- 1 **ABANCA Life**, which develops a wide range of life products (risk and savings).
- 2 **ABANCA General Insurance**, a joint venture with Crédit Agricole to cover the general insurance offering.
- 3 **ABANCA Insurance Brokerage**, a brokerage line for meeting the needs of those customers who demand more personalised products due to their specific characteristics (complexity of risks, coverage volume, etc.).

This efficient structure was created after a relaunching process that redefined the organisational structure of ABANCA's insurance and pension plans business on the back of a series of acquisitions and mergers that allowed ABANCA to recover complete control over the value chain of its insurance business.

This commercial model is backed by a team of commercial managers located at ABANCA's branch offices specialised in each area of the insurance business.

In 2021, ABANCA General Insurance launched its two first products, the car insurance "Copiloto" and life-payment protection insurance, while implementing the "Flat Rate" insurance service, a pioneer service in the Spanish market.





3

ABANCA Consumer. This activity is managed by ABANCA Financial Services (ASF), providing consumer finance solutions both to final consumers (deferment of purchases, point-of-sale financing, etc.) and commercial establishments.

This business unit provides a specific structure focused on a point-of-sale,

agents (operators, retailers, etc.) and pre-authorized customer credit (cards/loans). ABANCA Financial Services has a team of managers who revitalise the activity of commercial establishments/operators and give support to the branch office network. This supplemented with a call center service for telephone sales and support to commercial establishment customers.



4

ABANCA Institutional. The public sector also has a specialist area at ABANCA, where a qualified team with extensive experience offers all types of solutions for the financial needs of bodies, State-owned companies, associations, foundations, etc. Organised in a territorial network to offer a friendly and individualised assessment, the Institutional Banking coordinators personally manage an extensive portfolio of institutional customers throughout Spain. Loans, credit facilities, guarantee lines and reverse factoring are the main solutions that support the day-to-day activity of institutional customers.

Through this area, ABANCA also collaborates with tax collection

agencies with the aim of improving the efficiency of the collection process in relation to taxes, charges for public services and other income. In this connection, ABANCA collaborates in the development of innovative billing solutions, as in the case of the mobile local tax collection application.

At ABANCA, institutional customers also enjoy specialist treatment when arranging aid for their projects. This area annually coordinates more than a hundred collaboration agreements with municipal councils, autonomous regions, associations, foundations, etc., for developing initiatives to promote local social, economic and cultural development.



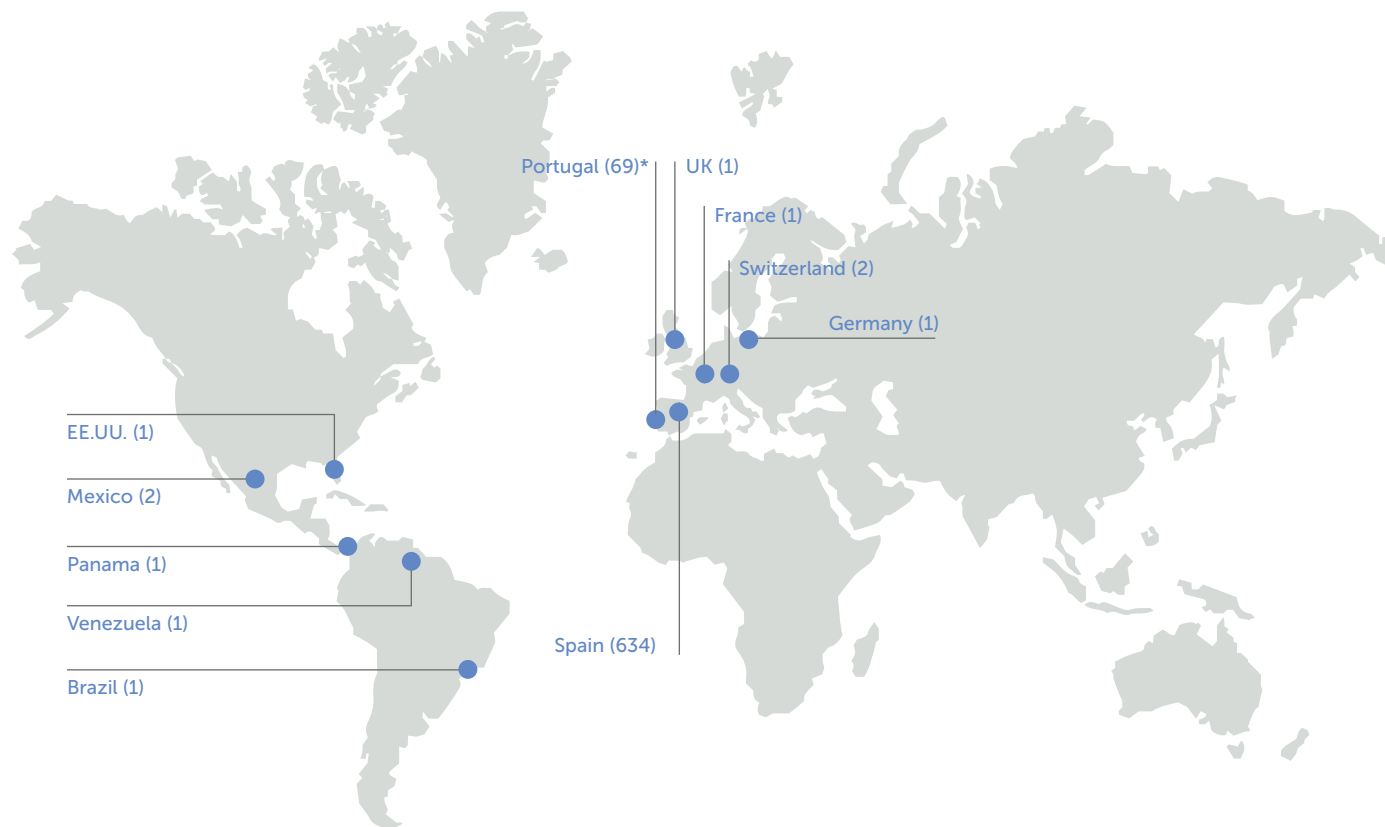


5

ABANCA Internacional. 203-2, FS7, FS8

Although ABANCA concentrates its activity and business in the Iberian market (Spain and Portugal), it has 2 operational branch offices outside of this area (the United States and Switzerland) and 8 representative offices located in Mexico, Panama, Venezuela, Brazil, United Kingdom, France, Germany and Switzerland that give support to the Galician colony abroad and to the internationalisation of Spanish companies operating in said countries.

The central element of this model is customer attention through teams located both in Spain and in their country of residence. Customers have up to three points of attention at their disposal, among which they can choose in accordance with their needs: in their country of residence, their local representative office and, in Spain, their reference branch office supported by managers focused on the non-resident customer segment and, in the case of business owners, ABANCA's foreign trade management team.



* Including branch offices and developers.

1. ABANCA Spain International

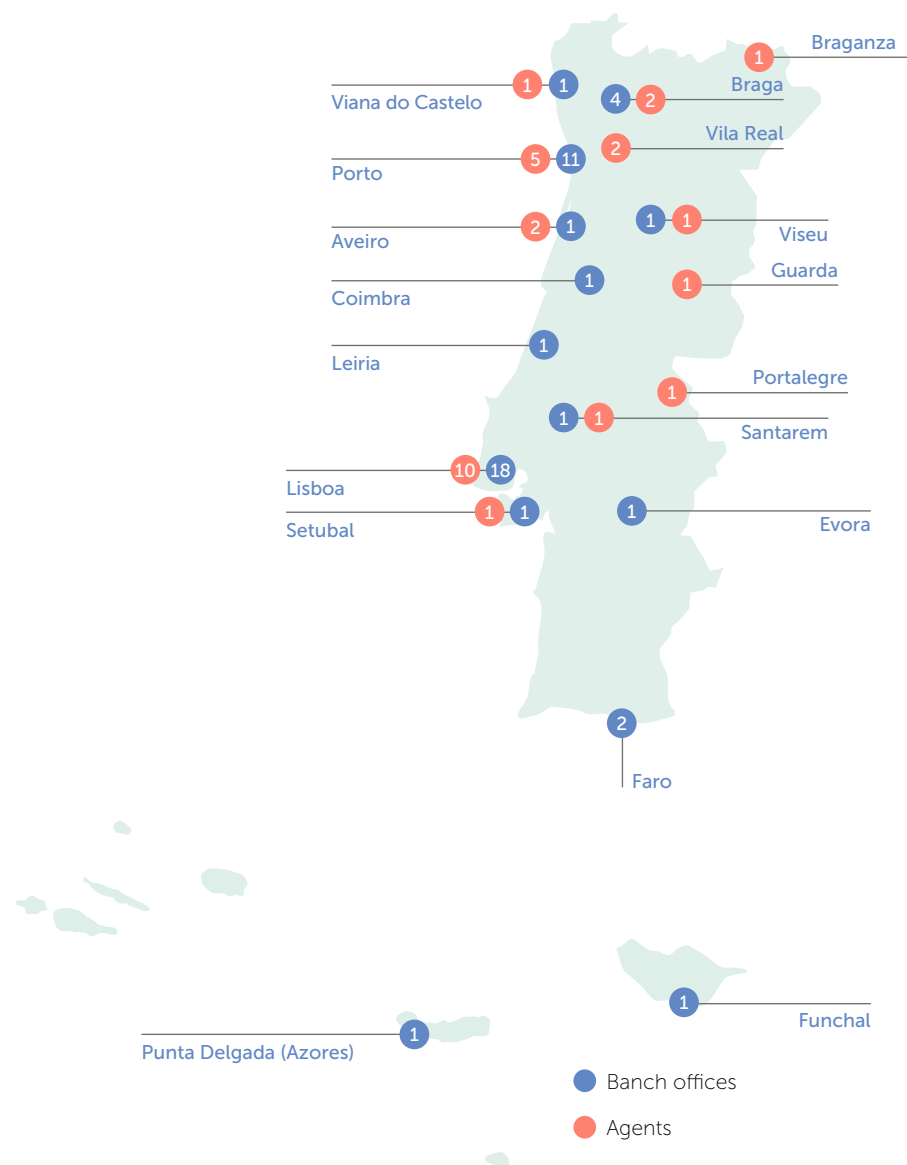
They are customers who reside in other countries but wish to establish a banking relationship with an entity located in Spain. In December 2021, we had more than 61,000 individual customers and almost 1,300 corporate customers with these characteristics, who are attended by the following teams:

In their country of residence, by ABANCA's external representative office network:

- Europe: London (United Kingdom), Frankfurt (Germany), Paris (France), Zurich (Switzerland) and Geneva (Switzerland).
- America: Caracas (Venezuela), Rio de Janeiro (Brazil), Panama (Panama) and Mexico City (Mexico).

In Spain, when customers come to our country, by:

- Non-resident customer managers, a commercial team highly specialised in this customer segment.
- ABANCA Spain's extensive branch office network.



2. ABANCA International

Customers who also reside in other countries but who, as opposed to the foregoing, wish to establish a banking relationship with a bank located in their country of residence. In December 2021, we had almost 64,000 individual customers and more than 8,500 corporate customers belonging to this segment. These customers are assisted at our foreign operational branch office network located in:

- Portugal, network of 69 points-of-sale.
- The United States, Miami office.
- Switzerland, Geneva office.
- Mexico, Financiera SOFOM in Mexico City.

3. Foreign trade

This segment is made up of companies residing in Spain but that carry out significant foreign trade activity (import or export). These customers require a specialised service model with assessment and a range of specific financial products and services. We call this type of customers “COMEX customers”. In December 2021 we had more than 2,000 “COMEX customers”, which are attended by:

- The team of specialist foreign trade managers, a manager profile with great expertise, which advise and market a wide range of foreign trade products and services (financing, imports and exports, documentary credits, financed remittances, international guarantees, forfeiting, international reverse factoring, forward and spot foreign currencies, etc.).
- The Foreign Trade Back Office Department, which provides technical and structural support for marketing these products, both in Spain and in the external branch office network.

ABANCA’s national and international network, which gives service to our international customers, is reflected in this table. As can be observed, in addition to our extensive networks in Spain and Portugal, we are present in the main European and American markets.



c) Recoveries and real estate assets

ABANCA pays special attention to reducing the volume of non-performing assets and to maximising their value for the Bank. The main lines of action consist of the recovery of Non-Performing Loans (NPL) and reduction of foreclosed properties, always under the premise of generating positive results for ABANCA.

The recovery of NPLs is focused on reducing non-performing and written-off loan portfolios with the aim of minimising their negative impact on results, particularly in the early stages of delinquency, to which end ABANCA has deployed a commercial network.

Beyond ordinary recovery tasks, ABANCA also manages the reduction of this NPL stock through the sale of portfolios. This activity is carried out by assessing the different divestment alternatives and strategies for

these non-strategic assets, opting for the best method for obtaining the greatest value for ABANCA.

As regards the real estate asset stock, ABANCA has a team in charge of all the processes associated with this type of assets, from their incorporation (where applicable) and recording in the inventory to the prices and sale to third parties. In order to manage its real estate asset stock, ABANCA chooses mixed solutions that combine outsourcing and internal management in such as to ensure the control of the value chain and that only those transactions which are less critical in the process are subcontracted. With regard to the divestment strategy, the real estate portfolio is segmented in accordance with asset revaluation capacity, and prices are fixed with the aim of maximising returns and maintaining adequate turnover.



>> The result of this policy has positioned ABANCA in a leadership position in the Spanish market due to the quality of its assets, with an NPL ratio of 2.14 % at 2021 year-end and coverage for problematic assets of 76.4 %. Since 2014 the Entity has reduced its volume of NPLs and foreclosures by €-3,145 million (-66 %).

2. Wholesale banking

Notwithstanding the fact that ABANCA finances its loan activity with deposits from customers, with a LTD (loan/deposit) ratio of 84.7 % at 31 December 2021, the wholesale banking unit complements the Bank's commercial activity and constitutes a complementary source of income for the income statement.

One of the main functions in this area is the investment of surplus liquidity generated by the commercial activity. Furthermore, ABANCA manages its cash positions and liabilities on the capital market to implement maturity transformation and exposure to interest rate risk. Additionally, wholesale banking gives support to the areas of the commercial network that carry out discretionary portfolio management, keeps ABANCA's managers/customers abreast of the most standardised investment portfolios and monitors investment funds/pension plans designed by ABANCA. Furthermore, it collaborates in the distribution of cash products to the commercial network (retail, companies, corporate, Foreign Trade and institutional) and coordinates the foreign exchange and derivatives desks, with the

aim of offering the best prices for these products to internal (balance sheet/trading) and external customers. Lastly, it manages the investment portfolio in listed and non-listed companies in which non-representative interests are included with the aim of generating returns for the Company through dividends or gains and maximising efficiency and solvency by minimising outflow and maximising inflow of resources. This line of business also includes assessment activities in mergers and acquisitions consisting mainly of the management of foreign purchase/sale transactions and entry of shareholders in the Iberian market, in addition to capital increases, debt restructuring and other corporate transactions.





3. Non-financial subsidiaries

It comprises the portfolio of non-financial companies with the mission of supporting the productive fabric and supporting the Bank's activities (here we include the result of ABANCA's proprietary insurance companies, except fee and commission income and expense, which is included in the retail segment).

In 2021, ABANCA continued with its Group investee portfolio rotation policy, divesting in those projects where the objectives envisaged on the date of acquisition of the ownership interest, in addition to making new investments in projects encompassed within the reinforcement strategy of certain areas of the Bank, such as for example investments in startups linked to the Bank's strategic pillars or business development projects in medium-sized companies and with growth potential. In 2021 special emphasis was made in support for investees due to the general economic impacts

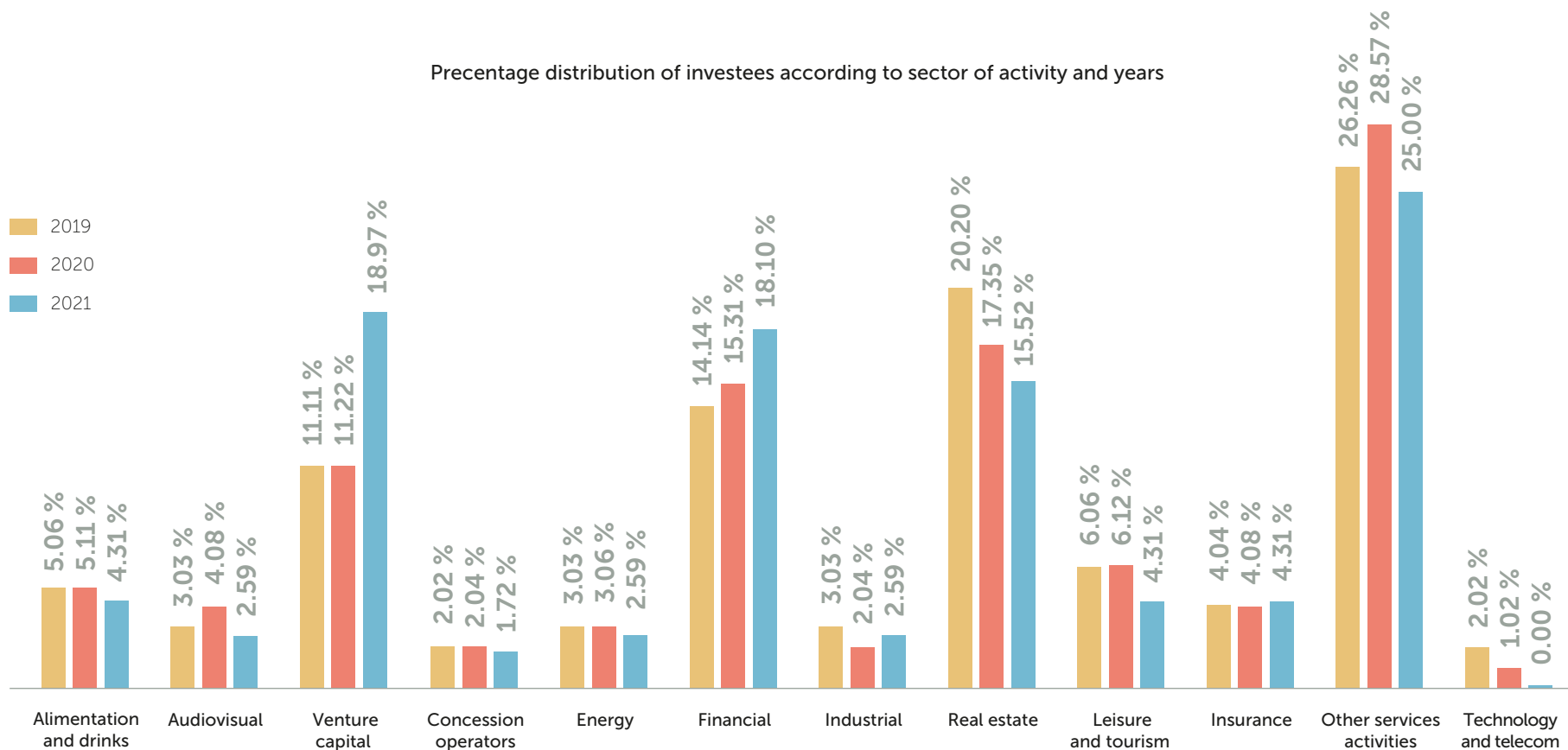
arising from the COVID-19 pandemic: search for opportunities for investment/divestment, financing, etc.

Furthermore, the ISO 9001 and ISO 14001 certifications were successfully renewed in the companies ABANCA Gestión Operativa and Espacios Termolúdicos.

Lastly, after the startup of the Group's Investment Banking service, aimed at the assessment and intermediation of M&A transactions for the Bank's customers and non-customers, the first mandates received from third parties were executed in 2021, successfully concluding the first transactions.

At the close of 2021, the ABANCA Group maintains a portfolio of consolidated investees with presence in the food and beverage, leisure and tourism, insurance, finance and infrastructure sectors, and other sectors such as information technologies and telecommunications, automotive, naval, real estate, energy, etc.

Percentage distribution of investees according to sector of activity and years



SUSTAINABLE finance

103-2, 103-3, FS7, FS8, FS10, FS11

The Entity's efforts are aimed, first and foremost, at becoming a local dynamiser of sustainability, both through our financial activity and through that of Afundación, its Social Welfare Project. In both cases, we used the concept of support to the transition to an economy following ESG (Environmental, Social and Governance) criteria, from a progressive and incremental approach, namely the first green emission, project finance operations for renewable energies, self-consumption, sustainable mobility and the launch of new investment options with sustainable bias. All this effort is under way, paying special attention to the supervisor's new disclosure requirements and to the new needs arising from the adaptation of our economic activity to the established criteria, especially regarding EU Taxonomy.

Action plan

The Responsible and Sustainable Banking Action Plan establishes the roadmap and objectives for the coming years, incorporating the environmental, social and governance (ESG) aspects in the management, business, risk models, and in the decision-making process. Also, consistent with our business model focused on people and SMEs, we will accompany our customers in the transition to a new economic model based on sustainability, both through the financial activity and with training projects or advisory channels.

The actions envisaged to drive an environmentally friendly economic and social model are structured around three main lines of action on which the Bank has already been working for some time now:

- Environmental, with measures for addressing the climate emergency.
- Socio-economic, aimed at driving recovery and transformation towards sustainable development.
- Good governance, which is embodied in a business model that pays special attention to new stakeholder needs and specific to the new risks.



Within the socio-economic line of action, ABANCA has continued to adapt its product and service portfolio to offer a sustainable alternative to its catalogue, always from a progressive, incremental and complementary standpoint that will prove useful to support our customers' efforts in the transition towards more environmentally-friendly business models. In this context, we consider it crucial to channel finance and investment towards projects with the potential to transform the traditional economy, introducing new green and social lines of business which, in addition to being effective, respect the adaptation times of each customer. It is essential to harmonise development in innovation with our customers' capabilities and the Bank's activity is critical to achieve it, always meeting the criteria and expectations set by the regulator.

This harmonisation between development and capabilities is reflected in the training process of our distribution network teams, which establishes information and training levels and defines the necessary training mechanisms prior to effectively marketing each product. The innovation, training, marketing sequence is critical for the Bank's ESG strategy and perfectly defines how we interpret our role in the economic transition to the new business model at the same time as it maintains our marketing strength permanently updated and, therefore, capable and effective for our Bank to develop that dynamising role.

Channelling of finance for sustainable projects

ABANCA continues working on the transition to an economy with low greenhouse gas (GHG) emissions. To this end, since our beginnings we have supported the financing of energy projects that use more efficient technologies and that allow us to contribute positively to mitigate the harmful effects of climate change.

The Entity continues to be ranked among the main Spanish banks that promote the

financing of renewable energy projects, working from its specialist financing area, added to the efforts of the branch office network teams for other customer segments.

In 2021, the financing projects that include criteria of sustainability and transition to an economy with low CO₂ emission intensity exceeded €820 million.

Financing with interaction in environmental matters (millions of euro)

	2020			2021		
	National	International	Total	National	International	Total
Wind	218	70	288	178	69	247
Solar	333	10	343	489	10	499
Small-scale hydro power plant	34	0	34	18	0	18
Cogeneration	3	0	3	2	0	2
Biomass	21	0	21	14	0	14
Other*	11	0	11	15	25	40
Total	620	80	700	716	104	820

*Includes, for example, transactions that finance regasification plants.

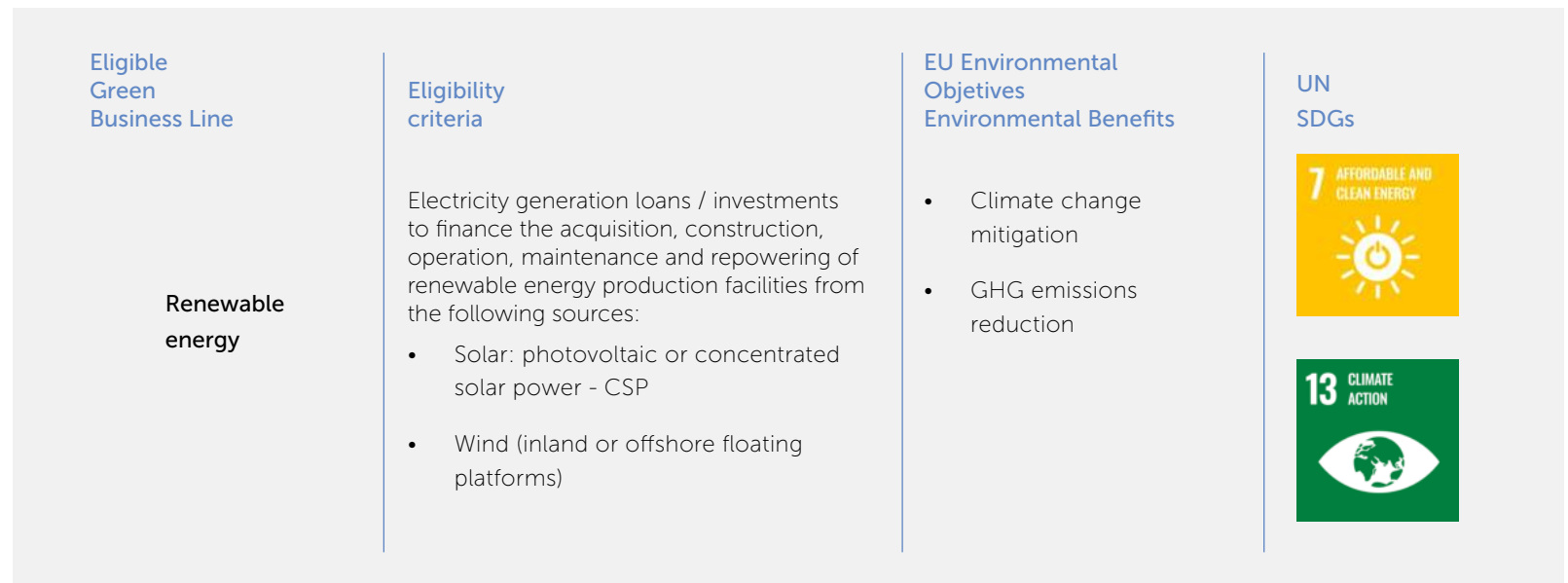
Sustainable markets and wholesale financing

Although the Bank’s financing model is largely drawn from its customer base, wholesale financing through capital markets is crucial to properly articulate the transition to the new economy. In this regard, we published our [Framework for Emissions with Sustainable Development Goals](#), with a very innovative and demanding approach, which is based on data quality and project traceability rather than on pure volume, developed in accordance with the 2021 Principles for Green Bonds, 2021 Principles for Social Bonds and 2021 Principles for Sustainability Bonds published by the International Capital Market Association.

Within this framework, ABANCA has successfully placed its first €500 million issue of Senior Preferred green bonds. In addition to the financial quality, reflected in the ratings obtained from Fitch (BBB-) and Moody’s (Baa3), which give the bonds Investment Grade status, our investors appreciated the rigour in the ESG approach, endorsed by Sustainalytics’ opinion of the framework and corroborated by

the broad interest sparked by the issue, which includes the leading representatives of the sustainable investment, with the noteworthy participation of the “Dark Green” sector.

ABANCA’s Framework for Emissions with Sustainable Development Goals initially focuses on the renewable energy line of business:



From the publication of the Taxonomy Regulation, which establishes the formal framework for classifying investments considered sustainable and specifically the two delegate acts that complement it and which establish the technical criteria applicable to the impact evaluation and classification of the objectives; at ABANCA, we have begun to incorporate the criteria, under the approach of the best possible and gradual effort in the operating procedures and disclosure of information.

An example of this is the evaluation and selection of eligible projects, which is done individually as a step incorporated in the risk assessment. In this regard, ABANCA has implemented a marking system which, at business unit level, applies the corresponding label to each financing operation of the type defined aligned with the Taxonomy regulation. This label must be validated by the risk committee of the level adequate to the operation and includes the necessary data and metrics to calculate the impact assessment, if necessary.



Analysis of the contribution to priority SDGs and alignment with the environmental objectives of the EU Taxonomy

2021

Ending balance of financed renewable energy projects (in millions of euro)

736.8

Design of a sustainable product catalogue

ABANCA works to meet both customers' demand for sustainable products and the requirements of regulatory and supervisory entities. As a result of this line of work, the Bank markets several products ultimately aimed at achieving sustainability, aimed at both individual customers and self-employed professionals, SMEs, companies and homeowners' association.



1

Renewable energies

We developed a line aimed at financing installations for self-consumption and storage of renewable energies for all types of customers. Specifically for individuals (families and self-employed professionals) and homeowners' associations, there are installations that can be subsidised within the limits established by the self-consumption plan. The plan is aimed at promoting the execution of systems linked to self-consumption and storage, with renewable energy (RE) sources, in addition to the implementation of renewable heating systems in the residential sector, within the framework of the Recovery, Transformation and Resilience Plan (RTRP).



2

Energy efficiency in households

In order to facilitate the execution of these projects and supplement the European funds received with financing, the Bank is adhered to the collaboration protocol formalised by the Institute for Diversification and Energy Savings (IDAE) with the financial entities interested in these programmes and that have specific products, aimed mainly at homeowners' associations.



3

Sustainable mobility

ABANCA launched its first financing products on the market for actions linked to the Next Generation EU recovery fund, in addition to the Moves III Plan, an initiative of the Ministry for the Ecological Transition and the Demographic Challenge (MITECO), to promote sustainable mobility.

Driving recovery and transformation

One of the objectives of the sustainable finance strategy is to support our customers' transition to sustainability.

With regard to the work carried out by the **specialist business** team, it focuses on supporting the primary sector: from the dissemination of information on aid for business model improvement plans and assistance with formalities; financial inclusion of sector professionals; to the advancement of grants and finance for reducing the environmental impact and investing in social welfare projects.



Next Generation ABANCA

ABANCA has created a new internal unit, Next Generation ABANCA, to closely collaborate with the different public administrations and companies, accompanying them in the development of investment projects that will transform the economy in the coming years, providing knowledge and information on the different calls.

It is also in charge of facilitating access to the financing market, creating specific products that can advance the amount of the aid, in addition to supplementing its amount, to ensure the feasibility of each of the project phases.



Collaboration agreements

We continue with the **Plan Activamos**, a collaboration agreement between ABANCA and the four Galician provincial councils, whose main objective is to drive the social and economic development of the community.

The loans will be managed through the homeowners' associations and the financing is aimed at maintaining or improving the safety of the building, its accessibility, the installation or modernisation of the lifts, the implementation of energy saving installations and thermal insulation, in addition to improving the habitability, health and watertightness of community facilities.

Plan Activamos arrangements

	2019	2020	2021
Number of transactions	4,945	3,324	4,050
Volume (millions of euros)	125.10	81.30	100.09

ABANCA has entered into an agreement with the EIF (European Investment Fund) to support the growth and development of Spanish small and medium-sized companies (SMEs) affected by the economic crisis arising from COVID-19.

Under the agreement, the EIF provides a guarantee of €350 million which has allowed our Bank to create a financing portfolio of up to €500 million so that Spanish SMEs can mitigate the economic consequence of the pandemic. The agreement is backed by the European Guarantee Fund (EGF), which allocates to this end part of the €540,000 million of the EU's rescue package approved in response to the economic impact of the pandemic. Thanks to the guarantee of the EIF under the European Guarantee Fund, ABANCA offers more favourable financing to SMEs and small and mid cap companies in those sectors especially exposed to the COVID-19 pandemic, supporting the recovery of its liquidity and the conservation of employment in the country.



ABANCA and its Social Welfare Project also renewed the collaboration agreement they maintained with the Galician Association of Family Businesses (AGEF) to carry out associative and training activities on the dissemination of the importance of the family-owned business fabric and its social and economic role, and to promote

enterprising through an educational programme in primary and secondary schools. The agreement gives special emphasis to the objectives of family-owned businesses of reinforcement and continuity, improved legal and tax environment and promotion of entrepreneurship.

Socially responsible investment

ABANCA has implemented a responsible investment strategy supported on the following pillars:

- Incorporation of environmental, social and governance (ESG) sustainability risks in investment decision-making, as a way of contributing to better long-term risk management of investments and to the identification of opportunities arising from sustainability.
- Strengthening of the investment plan introducing material ESG considerations in the investment process that will enable better informed decision-making.
- The inclusion of sustainability criteria in the investment process is considered a good practice by the Bank's customers, which is reflected in the higher demand for products and services related to responsible investment.

In 2021, the Bank modified its Responsible Investment and Integration of Sustainability Risks Policy to include the strategy and basic action principles in this regard. We seek to obtain a return on investment consistent with our profitability objectives and, in turn, consistent with the satisfaction for the sustainability and environmental respect objectives of the customers



themselves, without forgetting social well-being. The new metrics, specific to the control and evaluation of these factors, will be included in the Entity's information systems so that the impact of our activity is measurable and traceable and, therefore, can be presented to society in an understandable and homogeneous way.

In regulatory terms, the Policy responds to the obligations of Regulation (EU) 2019/2088 of the European Parliament and of the Council, of 27 November 2019 (or SFDR Regulation), on the

disclosure of information relating to sustainability in the financial services sector. In particular, the Policy ultimately aims to inform of how sustainability risks are incorporated in the investment and assessment decision-making processes.

The document is a reference framework for the products, investment services and assets managed and/or supervised by the Investment Management Unit under the D.G. Capital Markets, Institutional Management and Distribution and ABANCA Seguros.

Alpha 360 investment model

ABANCA's investment model, Alpha 360, takes into account ESG factors as a relevant variable in the decision-making process. This allows ABANCA to make better-informed decisions both in relation to the fixed-income and equities assets of the different treasury portfolios, and to the offering of financial products and services for customers.

In the model, the following are key: the application of the Principles for Responsible Investment (PRI), the Principles for Responsible Banking and the Principles of the United Nations Global Compact, in addition to promoting the incorporation of ESG criteria in the selection funds and asset analysis.

All the funds included in the Alpha portfolios are managed by the signatory management companies of the Principles for Responsible Investment (PRI) and, during the fund selection process, a negative filter is applied to those funds managed by non-signatory entities of the Principles for Responsible Investment.

The Alpha model offers four investment strategies:

- **Alpha Cyclical**, the Alpha Cyclical portfolios are based on the study of economic cycles, the portfolio invests globally in a selection of asset types, with the aim of maintaining an adequate diversification at any given time.
- **Alpha Exponential Future**, the strategy identifies three main megatrends linked to sustainable development: innovation, demography and sustainability. At least 75 % of the portfolio is invested in sustainable funds classified as Article 8 or 9 under the SFDR.
- **Alpha Responsible**, the Alpha Responsible portfolios invest in a selection of international investment funds that promote environmental or social and good governance characteristics in its investment management, favouring companies and emitters with ESG good practices.

These sustainable characteristics are promoted through several approaches, such as the exclusion of controversial sectors, countries or emitters, the integration of best-in-class criteria in the selected funds and the incorporation of funds linked to sustainable or impact investment topics.



- ABANCA 360 portfolio:** it is an innovative and simple product that allows us to offer an investment opportunity for all types of customer profiles that demand a professionalised management of their portfolio and with a minimum investment threshold among the lowest of the sector. The customer not only receives a service adapted to their risk profile, but is also aware of the strategy followed by their investment implemented by ABANCA brand passive management.

The ABANCA 360 portfolio makes it possible to create diversified portfolios that fulfil principles that go beyond the search for return on investment: they included in the analysis of environmental, social and good corporate governance (ESG) criteria throughout the process, which is why they can be classified in Article 8 of the SFDR (EU Sustainable Finance Disclosures)..

It is a product that includes three sustainable ABANCA brand investment funds that seek to promote investment under ESG criteria: ABANCA Renta Variable ESG 360, FI, ABANCA Renta Fija ESG 360, FI and ABANCA Renta Fija Transición Climática 360. These funds are classified as Article 8 or 9 under the SFDR.

The Alpha Exponential Future Portfolio, Alpha Responsible Portfolio and ABANCA 360 Portfolio are classified as an Article 8 product under the European Union’s Sustainable Finance Disclosure Regulation or SFDR, on promoting environmental and social characteristics.

Socially responsible investment	2020	2021
Total Volume AUM managed at GDC (millions of euro)	576.84	1,245.62
Total volume managed classified according to the SFDR criterion (millions of euro)	436.45	1,095.76
Percentage of AUM included in sustainable strategies, classified as Article 8 according to the SFDR criterion.	75.7 %	88.0 %



Financing of sustainable projects

Within its support to the local productive fabric, ABANCA has ownership interests in three companies that operate a total of four wind farms with a total output of 112.06 Mw. The holding in each company is 19 %, as detailed below:



ABANCA Investments with interaction in environmental matters (millions of euro)

Sector of activity	2020		2021	
	Output (Mw)	Holding (%)	Output (Mw)	Holding (%)
Norvento Montouto, S.L.				
–Fiouco	24.00	19.90 %	24.00	19.90 %
–Montouto	20.46		20.46	
Norvento Curuxeiras, S.L.	49.60	19.90 %	49.60	19.90 %
Norvento Sasdónigas, S.L.	18.00	19.68 %	18.00	19.68 %
Total	112.06	< 20 %	112.06	< 20 %

Information relative to the adaptation of European Taxonomy and disclosure on Article 8 of Regulation 2020/852

Precedents and regulatory justification

In June 2020, Regulation (EU) 2020/852 (hereinafter, "Taxonomy Regulation" or "Taxonomy") was published, which establishes the formal framework for classifying investments considered sustainable and whose ultimate purpose is to modify the economic flows and direct them towards purposes and activities with a positive impact on the climate and environmental figures defined by the framework itself.

In addition to the Regulation, two supplementary delegated acts were also published: the Delegated Act of 4 June 2021, establishing the technical criteria applicable to impact evaluation and classification of the mitigation objectives and adaptation of climate change, and the Delegated Act of 6 July 2021, detailing the disclosure requirements of companies obliged to publish non-financial information on the sustainable economic activities defined in

the Regulation, in accordance with Directive 2013/34/EU (Directive NFRD).

The latter delegated act defines a methodology and templates that establish the principles and forms that financial entities must observe to analyse and publish the different items and assets, and how these contribute to some of the sustainability objectives established by the Taxonomy. In particular, an indicator is established that all financial entities must publish, the Green Asset Ratio (GAR), that determines the degree of alignment of the Bank's balance with the sustainable objectives of the Regulation, considering that an activity is aligned when, in addition to being classified in a typology established in the Taxonomy, it meets the required technical and screening criteria.

Provisionally, and due to the difficulties of calculating alignment in the current state of development of the necessary information structures, entities must report the calculation of the ratio in accordance with their "eligibility" instead of their alignment. The regulation determines that eligibility will be determined by the classification in an activity in the Taxonomy, without further evaluation or verification than the mere reference in the regulation. In the absence of other, higher-quality data, internal Bank information was used.

Lastly, worth mentioning is the publication of two FAQ documents relative to the second Taxonomy delegated act, in December 2021 and February 2022, by the European Commission. In these documents a double approach is established with respect to the publication of eligibility information, one mandatory, based on the public information on the counterparties, and another voluntary, based on internal estimates and criteria.

However, and due to the lack of information in this first year of application of the delegated act by the counterparties, the Entity has given priority to the voluntary approach based on internal information, in order to ensure greater transparency and with the aim of reflecting ABANCA's exposure to green activities as realistically as possible. This is true to the extent that the mandatory calculation criterion of the Eligibility Ratio excludes all credit granted to non-financial corporations not subject to the Non-Financial Reporting Directive (NFRD) from the consideration of eligibility, which excludes by default the credit granted to all small and medium-sized companies, regardless of the activity in which they engage.

Determination and methodology

Taking into account the provisional and temporary nature of the calculation of the eligibility ratio for 2022 and 2023, ABANCA has applied the criteria of a) best possible effort and b) respect for the literal nature of the criteria for obtaining the necessary information. The ratios required in the 2021 NFIS are as follows:

- Proportion of assets associated with eligible and non-eligible economic activities (as eligibility is defined above), according to the Taxonomy.
- Proportion of exposures to Central Governments, Central Banks and supranational issuers over total assets.
- Proportion of derivative positions over total assets.
- Proportion of exposures to entities not subject to the obligation of publishing non-financial information pursuant to Directive 2013/34/EU over total assets.
- Proportion of exposures to the trading book and demand interbank loans over total assets.

However, pursuant to the Regulation itself, certain exposures have been excluded from the scope of the main ratio, not

appearing neither in the numerator nor in the denominator:

- Exposures to central banks.
- Exposures associated with sovereign issuers.
- Trading book.

Additionally, the Regulation establishes that some exposures can under no circumstances be aligned with the Taxonomy and, therefore, have been excluded from the numerator of the eligibility ratio. These exposures are:

- Derivatives.
- Demand interbank loans.
- Cash and cash equivalents.
- Other assets.



As regards the methodology for calculating the eligibility ratio and the data obtainment process, ABANCA has opted for a solution integrated with the financial reporting information that is compliant with regulatory requirements.

The aim is to have a solution for sustainability disclosures that allows the Entity to include new areas of information in a continuous and flexible way, in addition to ensuring the maximum consistency of the information, supported in a single centralised data dictionary that enables the traceability and reconciliation of the data, and minimises errors and manual data processing.

Additionally, and based on the approach applied by ABANCA based on its understanding of the requirements which, according to its current definition, is subject to some limitations, it is important to take into account the following considerations that were taken into account when making the calculations:

- The Entity encountered limitations on the availability of all the necessary information, due to the fact that the ABANCA and Novobanco systems are in the process of being incorporated. For this reason, the application used to generate the ratios did not include said information when obtaining the information from the Entity's own system (as Novobanco's data were not

yet available). Therefore, the information used accounts for 97% of the Group's total assets, being a material figure that adequately reflects the Group's current ratios.

- The information used as a basis for calculating the indicators in the case of loans and advances, debt securities and investment in subsidiaries and associates is expressed in gross amounts.
- The Group information used was obtained from the confidential Financial Statements (scope of prudential consolidation), which differ from the consolidated public Financial Statements in that they are different scopes of consolidation (scope of prudential consolidation vs scope of confidential consolidation).
- It should be noted that, given that some exposures (derivatives, interbank loans, etc.) are only excluded from the numerator but not from the denominator in the calculation of the eligibility ratio, under no circumstances will 100 % of eligible assets under the Taxonomy be reached.
- The Taxonomy Regulation does not currently cover all the activities carried out and that entities can finance. Equally important, it should be noted that those

activities not included as eligible are not necessarily considered harmful for the environment.

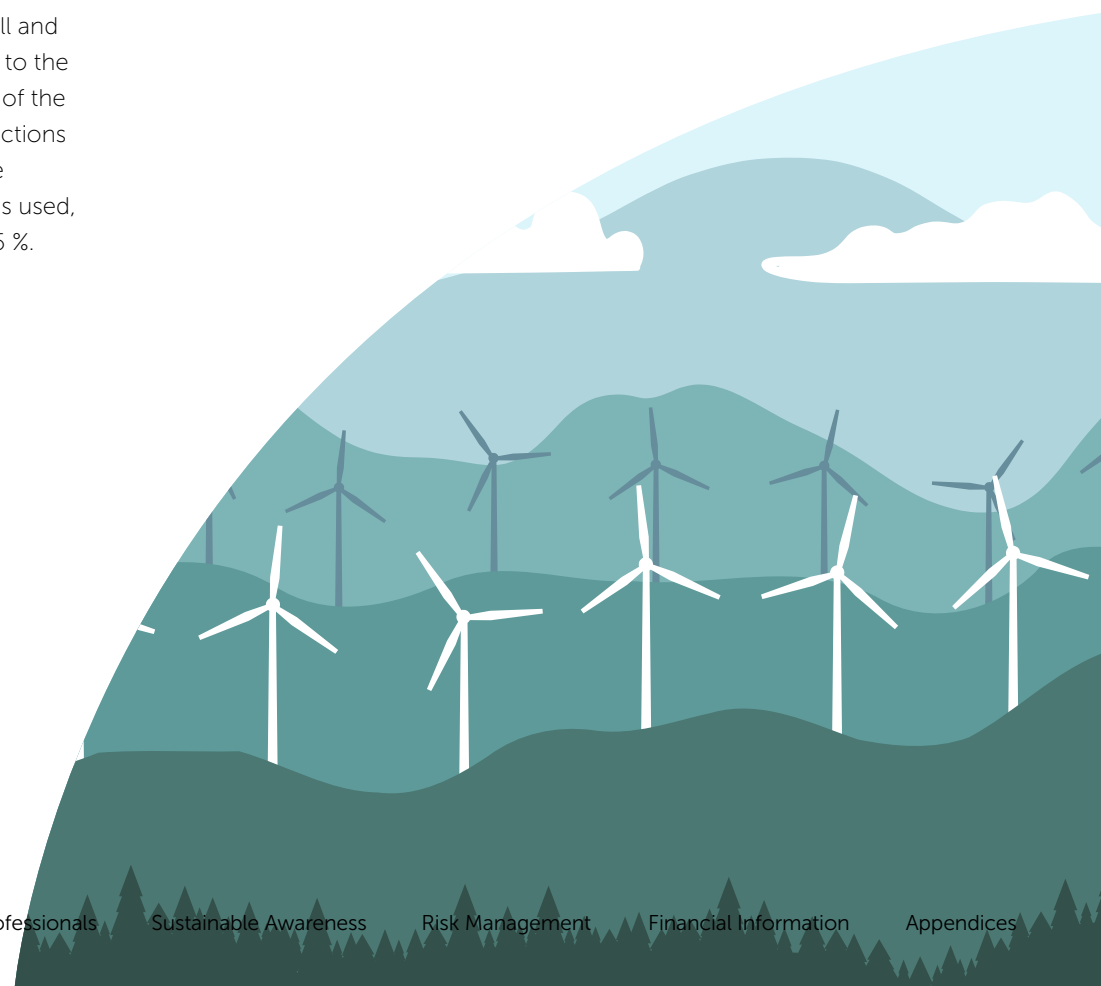
- The exposures of the homes portfolio include, inter alia, all the loans guaranteed by residential real estate, given that they can be potentially aligned following the criteria of the Taxonomy Regulation in accordance with their levels of energy efficiency.
- The calculation was made online with the voluntary approach that tries to complement the data and, therefore, includes approximations in relation to:
 1. Non-financial companies: both those which are subject to the Non-Financial Reporting Directive (NFRD) and those which are not.
 2. The purpose was taken into account or internal Entity information on transactions was used.

The consideration of approximations is deemed appropriate to fully meet the requirements of the aforementioned delegated acts, taking into account that: on the date of issue of ABANCA's 2021 NFIS, the customers and other counterparties with which the Entity interacts had not yet informed of their obligation or non-obligation to present their corresponding NFISs relative to sustainability. ABANCA has considered those counterparties with the category of "non-financial companies" which, due to their size, are considered "SMEs", as entities not obliged to report non-financial information, pursuant to the definitions of Recommendation 2003/361/EC of the Commission, of 6 May 2003, on the definition of micro-enterprises, small and medium-sized companies, and large companies with less than 500 employees.

- In order to determine the calculation of eligibility, the individual analysis carried out on the renewable energy financing transactions (wind and photovoltaic farms) was also taken into account, which, in our opinion, meet the technical requirements for alignment with the EU Taxonomy Regulation.

The result of applying this methodology is that, at 2021 year-end, ABANCA had an eligibility ratio of 42.72 %.

Applying the mandatory approach, which excludes any financing granted to small and medium-sized companies (not subject to the NFRD) from the numerator, regardless of the eligibility of their activity and the transactions for whose identification of the purpose internal information from the Entity was used, the eligibility ratio would stand at 30.95 %.



Eligibility ratios according to EU taxonomy

Proportion of eligible economic activities

	M €	%	%
Proportion of eligible assets	22,795	42.72 %	30.95 %*
Proportion of non-eligible assets	30,570	57.28 %	
Portfolios included within the scope of the ratios of eligible and non-eligible activities	53,366	100.00 %	

*Eligibility ratio applying the mandatory approach.

Proportion of exposure in total assets

	M €	%
Exposure to regional governments, central banks and supranational issuers	23,671	30.68 %
Exposure to derivatives	69	0.09 %
Exposure to companies not obliged to present non-financial information (applying the mandatory approach)	12,006	15.56 %
Trading book	114	0.15 %
Interbank loans	188	0.24 %
Total assets for calculating the eligibility ratio	77,151	100.00 %

In the numerator, amount of €22,795 million, which is broken down as:

- Investment portfolio to financial companies with economic purposes defined as eligible: €346 million.
- Investment portfolio to non-financial companies with economic purposes defined as eligible: €6,905 million.
- Portfolio of eligible homes (including loans guaranteed with residential real estate, building renewal loans and car loans): €15,155 million.
- Portfolio of security interests obtained by take-over (foreclosed residential or commercial properties): €389 million.

In the denominator, Total Assets amounting to €53,366 million, product of the sum of:

- Loans and advances, debt securities and non-trading equity instruments admissible in the calculation of the eligibility ratio: €33,115 million.
- Security interests obtained by take-over: €389 million.
- Other assets (derivatives, interbank loans, cash and other assets): €19,862 million

Our business strategy, specifically sustainable finance to support our customers in the transition, is indicated at the start of this chapter. This strategy is aligned with climate and environmental risk management, as explained in the chapter on Risk Management.

ABANCA Innova was created in 2017 with the aim of implementing a stable, sustainable and collaborative project to promote emerging technologies applicable to the provision of financial services in Galicia and is based on the following pillars:



TECHNOLOGICAL observatory

1

- Sandbox BdE:** we participate by supporting the proposal of Galician company GodEnigma in the first call of the Banco de España's regulatory sandbox. The Ithium100 project is an advance payment on order platform built on blockchain technology that provides access to the financing of customers in the earliest phases of the business. The platform is based on the immutability and transparency characteristics of blockchain technology to ensure negotiation and facilitate the approval of bids. The test conducted within the context of the sandbox includes the collaboration of companies of the Galician group Abeirar and ABANCA's financing. The pilot will be developed from September 2021 to February 2022, in accordance with the standards established in the Banco de España's
- sandbox, in order to ensure its validation as an approvable product and its subsequent implementation in the market.
- New internal proof of concept process:** at ABANCA Innova, we have driven the initiative of developing a specific process within the Entity that enables collaboration with suppliers in a proof of concept environment in an agile and delimited manner. This provides us with tools for collaborating with startups to test the products or services they offer and which are interesting for the Bank's business areas, avoiding cumbersome tendering processes that do not help expedite this type of market validations.

A specific process has been defined within the Entity's innovation
- processes that supports these initiatives, establishing a limited risk context provided that it allows these tests to be conducted at reduced cost, risk and effort. A specific and empowered work team is in charge of performing all the validations in order to consider that the proposal fits within this limited risk environment. As a result, we aim to have a channel for conducting these pilots that will enable their formalisation in a period of less than two months for an execution of pilots of up to three months in most cases.
- QR Wallet Payments Platform:** following the success of the 2020 PRESCO bonds, several institutions have decided to place the model at citizens' disposal, obtaining the following volumes:

 - 351.005 usuarios dados de alta en la plataforma.
 - 7,053 commercial establishments.
 - €30 million in sales.



OPEN INNOVATION

2

- **Merlin+Lanzadera:** Lanzadera, one of the benchmark accelerators in Spain, has launched a new collaboration format for open innovation called "hub". The hub is comprised of a driving corporation and one or more facilitating corporations. The driving corporation proposes a challenge for Lanzadera to find startups that will be supported by the facilitating corporations with the aim of overcoming the challenge.

Lanzadera has invited ABANCA to participate in retailtech hub promoted by Merlin Properties, a listed company that engages in the acquisition and management of tertiary real estate assets in the Iberian Peninsula. This hub also includes the participation of Google and VISA as facilitators. The challenge focuses on finding innovative solutions for shopping centres so that customers choose this option over others within their reach. Merlin has 15 shopping centres in the Iberian Peninsula, including Marineda City, located in A Coruña.

The aim is to implement the selected startup solution in one of Merlin's shopping centres, improved through the facilitators' contributions.

- As regards the **ABANCA Innova startups programme**, in 2021 we successfully complete the execution of the proposals selected in the 2020 startups programme. The three selected initiatives were received with great interest by the sponsored business areas and they are all in the process of extending throughout the Bank's processes.

– **KYCredit** provides services for different industries (financial, insurance, retail) that make it possible to reduce the risks of fraud and/or credit with their counterparties.

– **Bigle Legal** is a software solution which allows companies to automate the process of creating their legal documents, eliminating human error and saving time and money.

– **Ironchip** prevents a remote attacker from accessing its service if it does not have a specific mobile device

in a certain geo-position. This will make it possible to avoid phishing problems, remote attacks or sim swapping, inter alia.





INTRA-ENTERPRISING

3

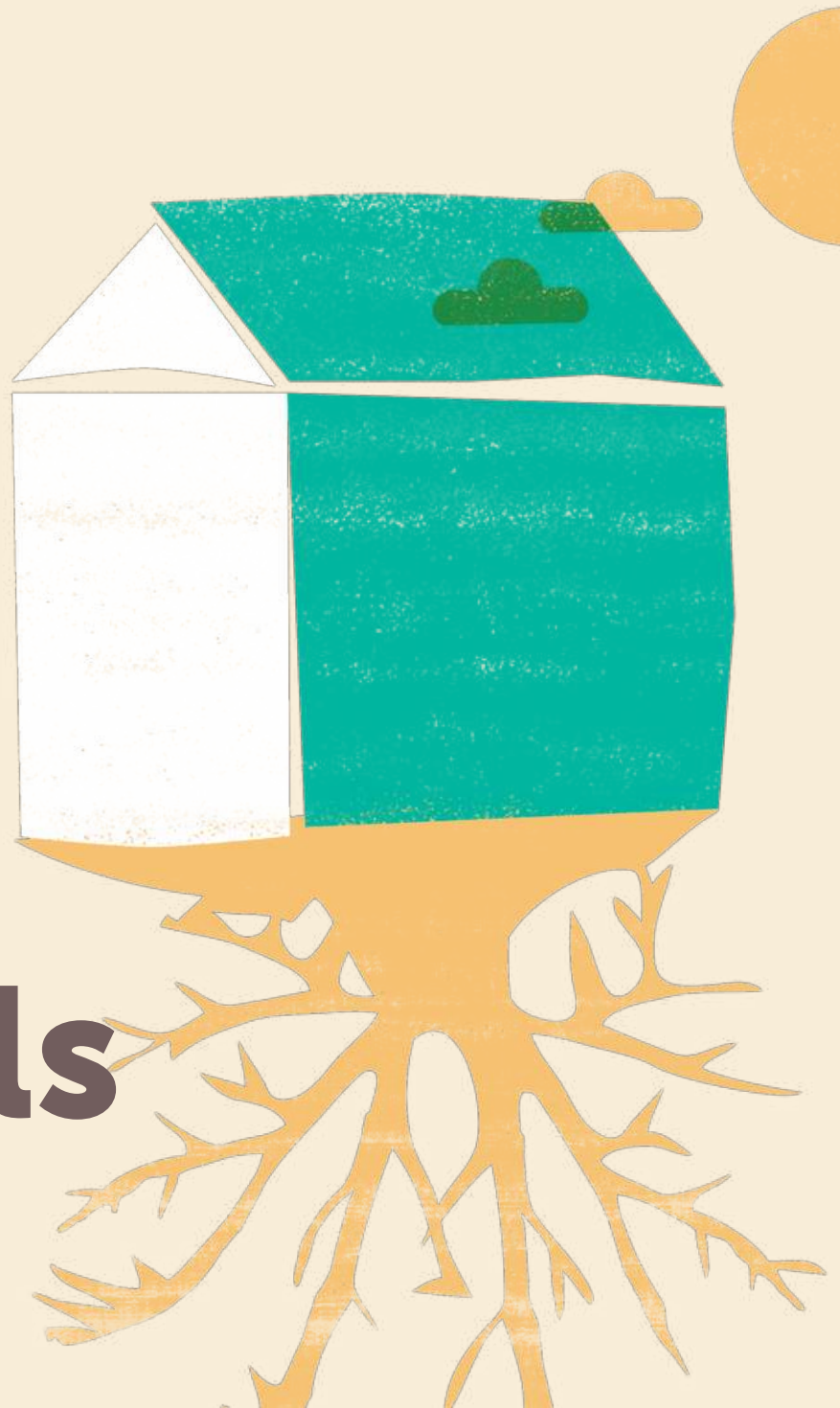
In 2021 the intra-enterprising programme focused on the development of four initiatives that were presented at the innovation hub with great interest.

- HipotecaDiY:** is a mortgage that is fully managed online until the formalisation phase. Customers can arrange their mortgages when and where they want and, since they are responsible for making all the arrangements, they are paid for their time in return. It is, therefore, the first remunerated mortgage loan.
- //Adónde:** is a solution for the flexible management of workspaces. It is an integrated, modular, scalable and fully configurable software. It allows the employee to book the room or workstation that best meets their needs in a matter of seconds.
- //Acompaña:** this project is a functionality of mobile banking that allows the customer to know the availability of their manager and interact with them in real time. It uses a "traffic light" system through which it shows different statuses: available, I have a moment, in a meeting and disconnected.
- Perfílate:** a digital and conductual tool that, through a profiling process, leads customers to their ideal product. It is a service that seeks to increase the sale of investment funds through digital channels, generating appetite for investment funds and presenting historical returns from portfolios adapted to their investment profile.



Responsible

professionals

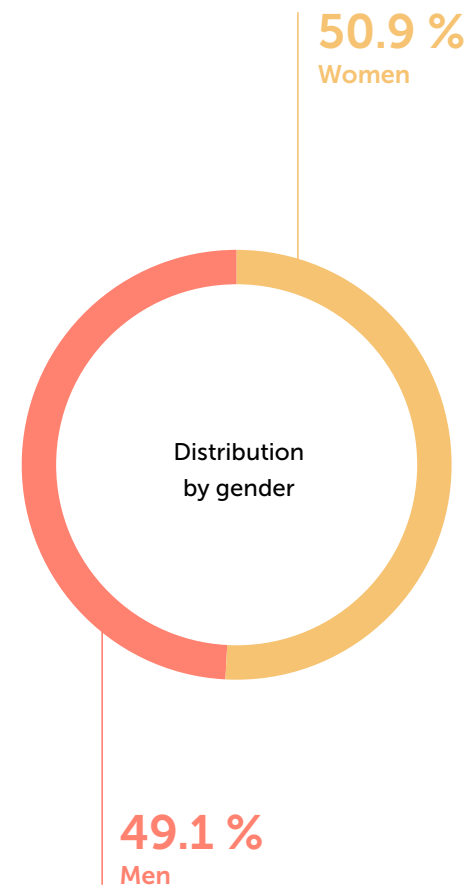
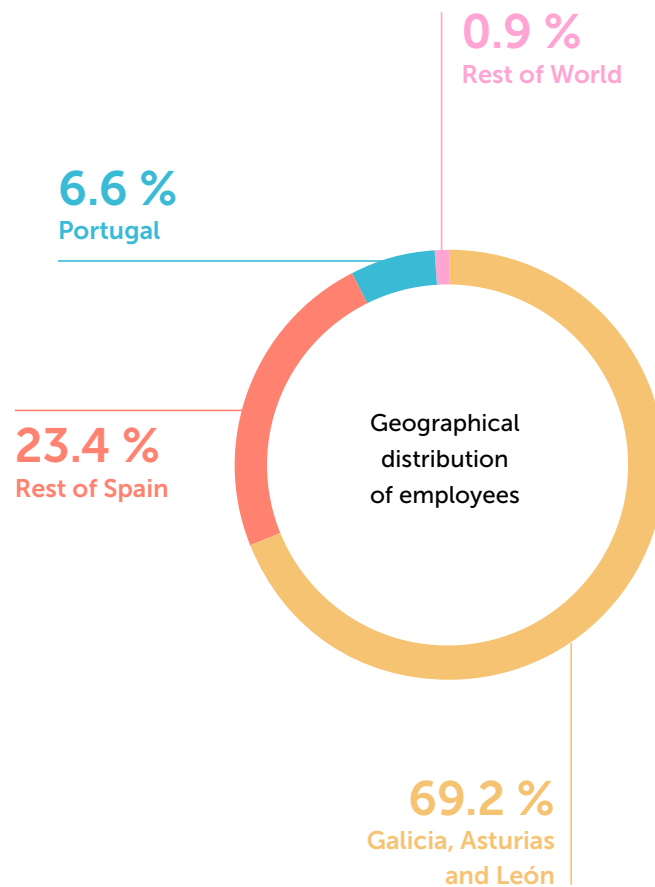


5,979
professionals.

Average age
44.87 years old

Average seniority
16.47 years old

97.7 %
permanent contracts
excluding internships.



TALENT

103-2, 103-3,
404-2, 412-2

ABANCA Evolucionada Project (reskilling and upskilling)

Companies have undergone major internal changes in recent years, renewing the corporate culture, digitalising ourselves and promoting creativity and innovation among our employees. Similarly, our employees have been obliged to embrace continuous learning to avoid being left behind in the labour market. Indeed, the digital revolution is imposing an overly demanding pace, continuously creating new professions and roles for which there is a shortage of adequately qualified employees.

This means that the new labour market entails the transformation of the most routine and mechanical jobs, easily robotisable, into tasks and functions with higher added value. The key to employment in the near future does not only lie in the appearance of new jobs, but rather that most existing jobs evolve.

The new needs in response to changes in the market or in organisations' objectives make it important to undertake reskilling and upskilling processes in order to equip employees with new knowledge to meet business needs.

The difference between the two concepts lies in the training and development objective: while upskilling seeks to equip employees

with new skills to optimise their performance, reskilling, also known as professional recycling, seeks to train employees to adapt them to new job roles in the company.

In general terms, the former creates more specialised employees and the latter creates more versatile ones.

When it comes to training and developing our employees, companies must take into account both so-called hard skills and soft skills. Hard skills are an employee's technical skills that allow them to perform certain work, such as handling certain software programs, whereas soft skills refer to emotional intelligence, communication capacity, change management

and other personal and interpersonal skills that help an employee to work efficiently in a modern company.

At ABANCA, we understand reskilling and upskilling as a continuous process that involves detecting business needs, evaluating employee skills, identifying the gaps to be addressed and designing development and training plans aimed at closing said gaps. All this accompanied by continuous monitoring and evaluation that allows them to adapt to the company's needs at any given time.

ABANCA's reskilling and upskilling process has begun with the professionals most closely linked to the commercial network, since many



of the strategies and improvements made in this part of the organisation (reorganisation of branch offices, reduced opening hours at the cash desk, operational improvements, remote commercial channels, etc.). This process implies equipping our employees with new skills in order to achieve greater specialisation and training them in new duties that will allow them to be more versatile in their professional performance. EvolucionA ABANCA already involves more than 500 professionals in this first phase between participants, mentors and tutors.

EvolucionA ABANCA has development and training plans for the different groups, adapted to their needs and grouped under a common framework through a specific SITE. Each group has a Development and Training Plan with all the available actions that will allow them to keep track of their progress. They can also access the training tools from different devices in order to perform scheduled actions with greater flexibility.

These development plans give special importance to the development of soft skills, such as change management, communication, emotional intelligence, problem solving or digital culture, and which are highly important to effectively work in an organisation. Said development plans include a triple training offering:



» **EvolucionA ABANCA is a magnificent opportunity to grow as people**, update capabilities and adapt to the changing scenario in which we find ourselves, fostering collaborative work and being more polyvalent, versatile, flexible and agile.

- GOODHABITZ self-development platform: an online training platform with more than 80 courses aimed at personal and professional development.
- IESIDE reskilling seminars: webinar sessions on different topics delivered by prestigious speakers, focuses on digital culture, change management, communication, emotional intelligence and problem solving and analysis.
- OVERLAP workshops: training itineraries on commercial skills and networking with activities for putting that learned into practice.

Career plans for critical collectives

For ABANCA, it is increasingly important to have a personalised value proposition for the Entity's critical collectives, those in which we invest more time and effort to attract, development and retain. To this end, in 2021, we defined and implemented specific career plans for customer intelligence and digital marketing teams, and for specialist personal banking and private banking managers.

The specific career plans for these collectives include:

- A scheme for recognising the different levels of contribution that people in these teams can eventually make, identifying criteria in relation to the knowledge, experience and expected results associated with each of the contribution levels.
- Professional development programmes that combine:
 - onsite and remote training actions, leveraging the resources of business schools and world-class technology benchmarks.
 - experiences in those areas where service is provided to bring together the different perspectives and exchange knowledge on specific problems.

- participation in cross-cutting projects to enhance the vision of the bank and the business.

- Remuneration benchmarks that reflect the greatest contribution of each of the levels, with the possible inclusion of incentive schemes to achieve strategic objectives.



» This initiative will be extended to the other critical collectives in 2022.

Diversity and inclusion

The Nomination and Sustainability Committee of the Board of Directors is responsible for evaluating the necessary balance of knowledge, capacity, diversity and experience in the Board, and for establishing a representation target for the gender less represented therein. For the purpose of favouring gender diversity, the committee will propose measures that promote the existence in Society of real equal opportunities, regardless of gender or other attributes other than meritocracy and adequacy of the person (their training, experience and skills) to the function to be discharged.

Consequently, the Board of Directors approved, in its session of 1 March 2021, the renewal of the principles for ABANCA's equality policy. As explained in these principles, the responsibility for managing the equality policy is shared among all hierarchical levels, starting with the Management Committee and extending to all employees, and will be periodically evaluated by the Board of Directors itself.





In December 2021 the new 2021-2025 Equality Plan was signed by the vast majority of the employees' representatives (all the trade unions, except CIG), which contains a series of measures for guaranteeing real equality of treatment and opportunities between men and women at ABANCA and overcoming any possible inequalities that may exist on the grounds of gender.



//ABANCA iguales

Working in conjunction with the communication and marketing teams, we built an integrated communication, sensitisation and training plan for the entire workforce that integrates the commitments acquired in the new Equality Plan with a positive and entrepreneurial vision of the challenges we face in terms of equality and diversity:

This integrated plan contains actions scheduled in accordance with the different target audiences:

Audience	Objective
 <p>Board of Directors and Management Committee.</p>	<p>Share and agree upon a positive, companywide approach to diversity and materialise the promotion of its benefits by the senior management.</p>
 <p>All personnel.</p>	<p>Communicate the progress made in equality and diversity challenges, and reinforce diversity management best practices. It will be articulated through relevant stories published on the portal every month and open technical sessions every quarter, with external specialists.</p>
 <p>Group of 25 women and men with the potential to successfully assume positions of greater responsibility.</p>	<p>Talent development programme aimed at this group to have access to diverse talent with which to fill upcoming promotions in the Business areas.</p>
 <p>Teams involved in selection and recruiting (human capital, talent and business partners). People responsible for teams (directors, managers, etc.).</p>	<p>Gain awareness of unconscious biases and apply techniques to offset their possible effects. Promote a common vision of the positive aspects of a diverse team. It will be done based on interactive sessions with self-knowledge tests, practical cases and tools to aid the decision-making process.</p>

The messages that will be conveyed through the different actions reinforce the two governing principles of the plan:

- We firmly believe that diversity at all levels improves the organisation's bottom line and the commitment of the people who form part of each of the companies.

- Our commitment to use formulas that foster co-responsibility and allow employees to work and contribute 100% but with greater flexibility, instead of working and contributing less through reduced workday formulas that are detrimental to these groups less represented in executive positions in the medium term.

CULTURE and change management

103-2, 103-3

Engagement survey

In 2021 we carried out two engagement surveys to measure professionals' level of connection and commitment to the organisation. Even acknowledging the burnout caused by the prolonged pandemic, the global result of 85% in the year remained within the corporate target, well above industry and country ratios. The factors that most influence the fact that ABANCA has such high levels for the fifth consecutive year are perception of job stability, organisational leadership and alignment with strategy.

Work sessions on the manager's decalogue

Throughout the year we have maintained periodic work sessions with the executive team to explore the contents of the manager's decalogue we launched in 2020. The sanitary circumstances required all these sessions to be held in virtual format, but this did not prevent the team from taking the opportunity to jointly celebrate our achievements as ABANCA and experience first-hand the new functionalities of Google Meets to share ideas and dynamise meetings.

These sessions replace the face-to-face sessions planned in 2020 to complete the communications launched on values and leadership through the corporate portal and

the work on each behaviour that has been done through the app "El viaje común" ("The common journey"). In fact, the refocusing of all this initiative to virtualise it in the context of the pandemic and the use of the app earned ABANCA the first GREF prize to the best training initiative in 2021, awarded by the group responsible for training and development of financial and insurance entities. This initiative, led by Human Capital, promotes learning through the life story of well-known world leaders who, in turn, were inspired by other leaders. The challenge was to mobilise the entire workforce, avoiding traditional approaches, reinforcing learning through example and action.



» In order to give continuity to some of the concerns that have arisen from the work sessions on the decalogue, some smaller teams have voluntarily formed to identify actions and establish specific action plans to mobilise the key levers for success.

85 %
bank
engagement
ratio.



Listening spaces, approximation of central services to business

With the aim of driving the customer focus and continuous improvement, in 2021 we reinforced the Listening Spaces that were being implemented at territorial level, including supervisors responsible for the main branch office service areas. These spaces are meetings where these supervisors listen to business professionals' proposals to improve ABANCA's service quality in their spheres of responsibility. We have carried out 18 sessions with the participation of 300 people from all territorial areas, together with the managers of the loan approvals, insurance, risks, payment methods, anti-money laundering, compliance and customer care units. As a result of this dialogue, improvements were identified in key areas for the Entity that have entailed major improvements for the branch offices.

Internal coaching culture

Two-and-a-half years ago we initiated a internal pilot coaching experience for profiles excluded from ordinary programmes with external coaches. The experience was very positive, due to which we launched a reinforcement programme for the group of internal coaches through external certification to reinforce the capabilities of the internal school and extend this executive coaching method to more people.



» As a result of this programme, **ABANCA won a runner-up prize in the AECOP 2021 "Coaching Culture in the Company" Awards**, a company that has been implementing its coaching programmes since 2015.



TRAINING

103-2, 103-3, 404-2

2021 training plan

The focus of training in 2021 was placed on addressing the Bank's major business challenges, which were:

Off-balance sheet investor attraction support plan

The quality of the investment advice received by our customers is a key aspect for ABANCA. In order to reinforce our advisors' capabilities, this year we implemented a specific plan that combines different initiatives such as the organisation of three quarterly market sessions in which the Bank's vision is shared, the evolution of our portfolios is analysed or training is provided in new product developments such as 360 discretionary management portfolios, a differential product in the market.

All these sessions were complemented with the inclusion of a specific assessment "site", with access to the entire commercial network, market reports, training pills, access to webinars, etc.

Online training resources were created and made available to the network with sessions recorded by the Investment Manager and his team with the aim of discovering the network,

always supported by the Personal Banking team to clarify any doubts, in which more than 1,400 people participated.

All this accompanied by specific training aimed at personal banking advisors focused on tax and success planning, international economy, portfolio management, etc. In addition to the creation of a specific personal banking talent pool under the Evolucion ABANCA programme, to prepare future possible roles of the segment.



Support for the launch of new ABANCA insurance products

For the launch of ABANCA Seguros, a training plan was designed aimed mainly at internalising the changes in the marketing model. This itinerary was organised so that each person could gradually acquire the necessary capabilities, based on the internalisation of the transformation of the model until consolidating the technical knowledge of the product ranges explored.

To this end, Intranet notes and videos, online courses and 20 reinforcement webinars were carried out, which were attended by practically all commercial network employees, which positively valued the application used to house these courses, the practicality of the course structure designed and the accompaniment of the subject matter experts through the video conferences offered at different times and on different days.

Implementation of omnichannel systematics

We have accompanied the change in habits in the consumption of the Company's financial services, reinforcing remote customer management capabilities based on an omnichannel relationship model.

This training included the participation of all the roles of the branch office network, focusing more on the figures of specialist digital managers, directors and deputy directors, with the aim of converting them into change advocates.

To guarantee the adoption of the relationship model, random simulated conversations were held, called "remote conversation samples", similar to mystery shopping, and workshops to reinforce the model based on its findings.

More than 2,000 employees of the commercial network have received the training and a total of 350 professionals have participated in these remote conversation sample sessions, which were followed and accompanied by regional directors and branch office directors. After the training and subsequent practice sessions, a level of adoption of the omnichannel relationship model of 8 out of 10 was achieved, representing an improvement of more than 3.5 points compared to the initial measurement.

Accompanying the career transition processes arising from the optimisation of the branch office network, automation and digitalisation

ABANCA's training service has maintained its A rating (satisfactory service) in the Service Quality Score (SQS), also receiving the GREF Award (group of training managers of financial and insurance entities) for the best training initiative of the year for #elviajecomún, the training app for disseminating ABANCA's values and leadership by example and internal and external success stories.



Coursera experience

In October, a group of more than 50 people tested the Coursera online training platform for technical profiles.

The objectives pursued with this test were as follows:

- To value this platform as a lever for the reskilling process in which we are immersed, where specialisation and speed of change (especially in technology and analysis tools) make it unfeasible for a training area to keep the training contents of this subject matter updated, passing from a proactive role as a supplier of training contents to a role as a supplier of a learning space/platform where the employees themselves orient and take the necessary actions.
- To evaluate whether the contents offered are actually leveraged by our employees (prestigious universities, relevant and updated courses, adaptable levels of complexity, etc.).
- To experiment with the different ways of structuring the training offering (academies, skill sets, recommendations, free search, etc).
- To get a real sense of the collective use and navigation within the platform.

The main benefits perceived for ABANCA are as follows:

- 78 %: Improved productivity.
- 56 %: Retention of the best talent.
- 33 %: Attraction of new talent.
- 33 %: Maintenance of low turnover levels.
- 22 %: Increased internal mobility.

After this test, ABANCA agreed to acquire a number of Coursera licences in the coming years. Licences will be assigned based on the following criteria:

- Specialisation, prioritising the areas of technology, data analytics and intelligence.
- Potential, prioritising people identified with potential for their development and those in reskilling and upskilling processes.
- Satisfactory use: we will monitor the use of each licence, requiring a reasonable use and aligned with work needs, in addition to a minimum number of hours of use every six months and a final certification of the courses.



>> Very good results were obtained in the pilot.

Participants' satisfaction was high or very high, saying that they would recommend the use of the platform to their colleagues in 100 % of cases. 75 % extend the recommendation to their team and 65 % also to their superiors.

Training in cybersecurity and secure development

In 2021 we reached the end of the training and awareness plan initiated in 2018, reinforcing it with a specific secure development plan in which more than 170 professionals from the technology area participated and which will extend to the first quarter of 2022. At the end of the three-year cycle, the balance is more than 15 different actions organised with more than 35,000 participations therein. The maturity test with simulated attacks conducted in 2021 demonstrates the effectiveness of the actions carried out, since it reflects an improvement in the reaction to phishing attacks, in all its parameters. Also in 2021, we validated the proposal for the plan that will give it continuity after 2022.

in conjunction with IESIDE, was divided into five modules, with topics such as new business challenges in the financial sector, digital marketing or leadership and organisational change, together with the development of an application project for ABANCA. The programme received one of the highest scores by the participants, 9 out of a maximum of 10. This programme will be the basis of the one that will be implemented in 2022 for another talent group, which is aimed at driving diversity in the organisation.

Business management development programme (BMDP)

The business management development programme, initiated in 2019, is another important pillar of our training plans in the professional development of key groups within the organisation. In 2021 we finalised said programme, whose purpose was to train 13 business leaders, area and segment directors with vision of the transformation that is taking place spearheaded by the digital revolution and the capabilities required to be successful in this new environment. The programme, developed

EQUAL opportunities and reconciliation policy

103-2, 103-3, 412-2

Equality plan

With the aim of fulfilling the regulatory obligation that allows us to advance towards achieving real equality in treatment and opportunities among different genders at the Entity, as well as equal pay between men and women, the Equality Plan of ABANCA Corporación Bancaria, S.A. was approved for the period 2021-2025.

Its main objectives are:

- To guarantee that every person has the same opportunities of incorporation, remuneration, professional development based on their achievements and performance (meritocracy) regardless of their gender.
- To facilitate that those people who, at a specific moment in their lives, need to focus more on their family or personal life but who, at the same time, want to continue to be committed to ABANCA and to their development therein, have measures and tools that effectively make this possible. For this reason, formulas were sought that foster co-responsibility to make it possible to work and contribute 100% but with greater flexibility instead of working and contributing less.
- To achieve a balance representation of the under-represented gender by improving their possibilities of accessing positions of responsibility.
- To favour the work/life balance of our employees as a necessary condition of the Company's value proposition.
- To promote working conditions that avoid sexual harassment and harassment on the grounds of gender and help victims of gender-based violence.
- To sensitise personnel in relation to equality and diversity through the development of a training programme.



» **The Equality Plan is composed of ten action areas**, with specific actions to be carried out in training in gender, selection and recruitment, professional promotion, remuneration and salary audit, co-responsible exercise of rights to personal, family and work life, female under-representation, non-sexist communication and language, occupational risk prevention from a gender viewpoint, prevention of bullying, sexual harassment and harassment on the grounds of gender and, lastly, gender-based violence.



Remuneration audit and wage gap

In compliance with the provisions of the regulations in force on equal pay, RD902/2020, of 13 October, on equal pay between men and women, an external advisor, People Matters, S.L. performed a salary audit for 2020 in order to include its conclusions in the new Equality Plan of ABANCA Corporación Bancaria, S.A., which involved a previous remuneration diagnosis of the total compensation of women and men, in accordance with the job evaluation system in place at the Bank.

The aim of the audit was to identify the most significant differences between the salaries of men and women, in addition to their origin and other relevant factors that may be influencing them, and define an action plan conducive to addressing them.

RD 902/2020 and 903/2020 determine that a wage gap exists when it exceeds 25 %. In the case of ABANCA, measured pursuant to said Royal Decrees, this difference does not reach 25 %, which does not mean that we don't need to keep working to reduce it even more.

There are a series of factors that affect the gap, inter alia:

1. The impact of reductions of workday for legal guardianship, enjoyed mainly by women.
2. The predominance of men in positions of responsibility, which corresponds to higher salaries. This is one of the main causes of the global differences and in some levels in favour of men.
3. The formation of the Entity through the absorption of different entities that, in turn, carry over the wage gap at origin.

Indeed, using the calculation model developed by the Entity, which subtracts the impact on salary of any variable other than gender (seniority, equal responsibility, etc.), the resulting gap is -5.71 points in Spain and -5.55 in Portugal.

Taking the main causes of the current gap as references, an action plan was defined and incorporated in the content of the Equality Plan.



SECURITY and health

103-2, 103-3, 403-2,
403-3, 403-5, 403-6,
403-7

Main measures for ensuring employees' security and health in the COVID-19 situation

The main measures adopted to ensure the safety and health of personnel during the COVID-19 situation were as follows:



» **Crisis Committee** for managing the pandemic.



» **Revision of the diagnostic test policy.**



» **Preparation, implementation and regular revision of the protocols in accordance with the regulations in force.**



» **Main preventive principles to contain the pandemic:**



» **Teleworking continues to be encouraged** during times of higher incidence of COVID-19 cases.

1. **100% of commercial network workstations** continue to be equipped with partitions.
2. **Daily notification** to all employees to control symptoms.
3. **Hydroalcoholic gels and facial masks** continue to be made available to all personnel.
4. **During the quarantine period, the Prevention team made individual calls** as a means of accompaniment and follow-up of affected persons, in addition to tracking of possible close contacts at the workplace.
5. **A form is made available to personnel for the voluntary communication of COVID-19 vaccination** with the aim of ascertaining the general vaccination situation of the company in order to ensure and preserve collective safety and health.



» **Temporary reorganisation of the branch office network.**



» **Preparation of informative manuals** in central services and commercial network.



» **Regular publication of good practice tips** to avoid contagion and pills on preventive measures.

Cardioprotection plan

Within the framework of this project, one of the actions taken in 2021 consisted of delivering training in basic life support and external semi-automatic defibrillation to the personnel located in the cardioprotected buildings. This theoretical-practical action has a major impact, since it allows us to know the basic steps to follow to initiate a basic life support action using an External Semi-Automatic Defibrillator (ESAD). In 2021 a total of 89 persons distributed in 11 buildings equipped with DESAs received training.



>> The workshops held in 2021 were as follows:

- Towards healthier eating.
- Healthy back workshop.
- The first life-saving minute.

Promoting health

The ACTÍVATE (“ACTIVATE YOURSELF”) platform is implemented throughout the organisation, a corporate wellness platform of voluntary access for all ABANCA staff. It is aimed mainly at fostering and promoting healthy lifestyle habits. To this end, we are working with an annual programme of activities and actions developed by experts based on the ACTÍVATE Healthy Portal. This portal consists of three main pillars:

- Physical activity.
- Healthy eating.
- Emotional well-being.

In 2021 a total of 1,436 people registered on the platform.

The annual programme of activities and actions developed by experts includes weekly newsletters, as well as quarterly online workshops. The main thematic blocks on which both actions pivot are as follows:

• Physical activity

In this section, all types of information and tips on sports and leisure are published; in turn, workout routines adapted to every level are published so that they can be put in practice, always safeguarding employees’ health.

Also, focusing one of the main risks at ABANCA, activities aimed at caring for one’s back, such as stretching exercises and/or how to adapt the workstation to correct ergonomics.

• Healthy eating

In this section we publish posts for eating healthier, always with contrasted data, offering healthy recipes and menus that can be downloaded.

• Emotional well-being

In this section we publish information and tips for achieving an optimal emotional state, which is reflected in the different facets of life.

Flu vaccination campaign

During the 2021 flu vaccination campaign, the same number of people were vaccinated with respect to 2020. This figure, which allows us to state that it is an action that has become consolidated among employees and makes it possible to reduce cases, thereby contributing to reduce the impact of this disease on healthcare pressure.

Sixth edition of ABANCA Sports Day

In relation to quality of life, we continued to promote healthy habits through several initiatives, such as the quality of life platform ACTÍVATE, or the sixth edition of ABANCA Sports Day.

The mixed format of the sports day, which combines onsite and online activities, allowed more than 250 people to participate in one of the nine sporting activities offered all over Spain.

Also, the session reinforces ABANCA's commitment to society, making a donation per each participant in the ADIANTHE project for fighting leukaemia, managed by the Haematology Department of the Hospital Clínico de Santiago.

URECA: new agreements and refurbishment of the Nigrán facilities

As part of its annual plan, the URECA Employees Club, is committed to modernise and improve the contribution of value to its associates and the extension of services to all of Galicia, generating financial viability and autonomy.

Under this plan, agreements have been signed with clubs in the main Galician cities, all with high-quality facilities and a reduced fee.

Additionally, Nigrán's facilities were extended and modernised, adapting them to the new needs derived from COVID-19 (open-air activities, restaurant areas with large terraces, etc.) and generating more activities. In this way, the Club represents the Entity itself with a modern image and increases its attraction for its employees, promoting sports and healthy life habits.



INCLUSION of new ways of working

Teleworking

102-41

In 2021 we had to combine different work schemes in accordance with the sanitary prevention measures in force at any given time and which obliged us to keep safety distances in the workplace.

During the first months of the year, the teams who work in the corporate buildings had to adapt to physical space occupation levels of less than 50 %. Therefore, the main principle that everyone must work onsite at least once a week was established; the rest of the week can be adapted to the needs of the team and their personal circumstances. Both execution capacity and the well-being and job satisfaction of the employees were monitored through specific telework surveys.

The Bank's strategic objectives, both at commercial level and in the execution of the incorporations (corporate transactions) and the development of critical projects, were fulfilled with this work scheme.

As of September a de-escalation process began, to the extent that the sanitary conditions allowed a greater occupation of the corporate buildings. With this de-escalation, which aims to move towards the final model of

teleworking without restrictions in terms of occupation or distances, all the people working in these buildings have switched to a weekly schedule with three, four or five days of onsite work, depending on the personal preferences that were collected individually and the work organisation needs. In any case, we continue to maintain the remote meeting good practices generated during the pandemic where, as a general rule, virtual meetings are preferred.



When it is possible to occupy all the physical spaces without limitations, ABANCA has defined a telework scheme based on the following principles:

- Two ways of working: onsite and remote. Same evaluation and requirements.
- The existence of different ways of working is positive.
- We will have additional management mechanisms to facilitate the monitoring of hybrid teams.
- They are employees who can request telework and it will be the Company which decides whether it is applied in each case.

Therefore, onsite work predominates in corporate buildings, with the possibility of opting for a certain percentage of telework. Employees can opt for working 100% onsite or teleworking one or two days a week. The selection will be made from September to September (except in cases of exceptional circumstances). The person chooses the number of days per week (1 or 2) they want to telework, but it will be the Company which determines on what specific weekdays.



Digital disconnection

102-41

The current collective bargaining agreement of the sector for savings banks and financial institutions (2019-2023), which became effective at the end of 2020, was a pioneer within the banking sector when regulating employees' right to digital disconnection.

Specifically, Article 15 of the collective bargaining agreement establishes that digital disconnection is a right, whose regulation contributes to employees' health, decreasing, inter alia, technological fatigue or stress, thereby improving the work climate and quality of the work.

For the purpose of regulating this right, all the devices and tools provided by companies that are likely to articulate work-related communications, such as: mobile phones, tablets, laptops, proprietary mobile applications, emails and messaging systems, or any other that may be used.

The exercise of this right by employees will not be penalised, nor will it negatively influence promotion, evaluation and scoring processes.

With the aim of guaranteeing the fulfilment of this right and regulating possible exceptions, a series of measures have been agreed upon:

1. The right of employees to disconnect the digital devices placed at their disposal by companies to perform their work, outside working hours and during the time allocated to permits, leaves, vacations, leaves of absence or reductions in working hours, except in the case of the emergency situations stipulated in point 3 below.
2. In any case, in general, except in the case of the emergency situations stipulated in point 3, making telephone calls, sending emails or messages of any kind by means of the work tools placed at their disposal by the companies shall not be made from 7:00 p.m. in the evening to 8:00 a.m. the following day, except automatic emails not containing mandates. This time limitation will be adapted in the case of employees with special working hours that fall between 7:00 p.m. in the evening and 8:00 a.m. the following day.
3. Exceptional and justified circumstances will be deemed to exist when it may represent a serious risk to the employees or potential business harm to the company, in those cases whose urgency requires the adoption of special measures or immediate responses.

Furthermore, a series of good practices are also regulated for better time management and it is established that Entities will carry out training and sensitisation actions on the protection and right to disconnection from digital devices and work-related issues.

ABANCA Corporación Bancaria, S.A. already had a protocol for guaranteeing digital rights in place (formerly known as Protocol for the use of IT tools) that regulated the proper use and operation of the means placed at employees' disposal and of the control mechanisms. Said protocol was adapted to include a specific chapter on digital disconnection in the terms envisaged in the aforementioned applicable collective bargaining agreement.

INCORPORATION and expansion

Bankoa and Novobanco incorporations

On January 2020, ABANCA completed the acquisition of Bankoa, which was incorporated into the ABANCA Group after the agreement entered into between ABANCA and Crédit Agricole in September 2020. With the acquisition of Crédit Agricole's retail banking business in Spain, we reinforced our presence in Cantabria, considered a priority area in our Strategic Plan. Specifically, the agreement allows us to grow in the Basque Country, a highly valuable market due to its financial robustness and economic dynamism. Bankoa's employees were incorporated by merger into ABANCA in November 2021.

In the spring of 2021 we completed the Due Diligence that gave rise to the purchase and sale agreement of the network and central services of Novobanco in Spain, with the incorporation into ABANCA's network of nine physical branch offices and one virtual branch office on 1 December.

After two months of negotiations, in December 2021, two collective bargaining agreements between ABANCA and most of the employees' legal representatives were entered into with the aim of harmonising the working conditions of employees from Bankoa and Novobanco upon incorporation in ABANCA, regulating in an orderly manner the replacement of their previous collective bargaining agreement by that applicable in ABANCA in matters relating

to salaries, supplementary social benefits, employee loans, social benefits, geographic mobility and related compensation, etc. Similarly, the working conditions arising from the incorporation of both business networks and the compensation for overlapping positions that were redundant to the project were agreed upon by a very large majority of the employees' representatives.

Parallel to the incorporation process, a comprehensive training plan was defined, accompanied by a mentoring process for branch offices and professionals during their first steps at ABANCA, with the aim of ensuring the necessary operational capabilities and favouring their immersion in the organisational culture.



Training in Bankoa and Novobanco incorporations

404-2

The employees of Bankoa and Novobanco and collaborating agents of both entities received training throughout the year. Said training consisted of Business Accompaniment in those products and processes that encompass all the essential operating procedures that guarantee business continuity.

Parallel to this, training was deployed in Google to deliver the required regulatory training for the year.

During the technological and operational incorporation, 33 ABANCA employees travelled by way of "ambassadors" to give support and accompaniment to all the commercial network centres and agents. This onsite support was maintained for two weeks.

To a greater extent, visits to ABANCA branch offices were arranged over a two-month period for the employees of the entire commercial network.



» **Some 86.6 % of the commercial network staff declared to be very satisfied**

with the training support provided and 86.7 % of the "ambassadors" indicate that they would repeat the experience.



Sustainable

awareness



environmental

At ABANCA we consider it essential to promote environmentally friendly economic model, thereby contributing to the mitigation of climate change, the protection of biodiversity and the transition to a low-carbon economy that will promote sustainable development.

social

ABANCA, through its Social Welfare Project, Afundación, has its own programmes focused on developing social actions, dissemination of knowledge and cultural promotion.





ENVIRONMENTAL awareness

The planet is addressing a major challenge and we are all responsible for safeguarding its well-being. At ABANCA we consider it essential to promote an environmentally friendly economic model, thereby contributing to the mitigation of climate change, the protection of biodiversity and the transition to a low-carbon economy that will promote sustainable development.

Consistently with this, the energy and environment policy and the sustainability policy, respectively approved in 2018 and 2019, reflect the urgency and importance of implementing measures at the corporate level to change our habits, be more energy efficient and contribute to curbing the climate emergency.

The policies define the action model, in which the environmental factor is one of the focal points in the decision-making process to create value, analyse, prevent and mitigate the adverse impacts, while driving the positive impacts, that our decisions and activities may have on the environment and on society.

In 2021 we performed the first general review of the Energy and Environment Policy, coinciding with the launch of the Responsible and Sustainable Banking Action Plan 2021-2024, in which one of the three main lines of work is the environment. To this end, we reinforced the management approach to define the procedures to be followed in relation to the circular economy, waste prevention and management, sustainable use of resources, efficiency improvement and climate change.

The document was approved by the Entity's highest governing body and was externally published for consultation by all the stakeholders.

The Social Responsibility and Sustainability Committee delegates the operational management to the energy efficiency and environment work group (EEA), which develops the necessary procedures to enable the application of the Policy and fulfil the objectives underpinning it by embodying them in the necessary environmental initiatives.



Energy and Environment Policy.

Partnerships and Commitments

102-11, 201-2



» ABANCA recognises the urgency and importance of implementing measures at the corporate level

and of joining forces with out stakeholders to adapt the best practices and international standards in this context.

In 2021 the Entity joined the financial sector alliance, Net-Zero Banking Alliance, whose objective is to advance in the decarbonisation of the economy.

In line with this initiative, ABANCA has reinforced its commitment to the objective of reducing emissions established in the Paris Agreement, coinciding with the celebration of the COP26. The Bank endorsed the open letter launched by the We Mean Business Coalition calling on G20 leaders to take decisive action on climate change to prevent global warming from exceeding 1.5 °C.

Also, ABANCA had previously made clear its commitment to the environment and to the Sustainable Development Goals by becoming a signatory of the Principles for Responsible Banking, the Collective Commitment to Climate Action, the Sustainable Ocean Principles and the Sectoral Climate Agreement reached by Spanish entities at the COP25 in Madrid.



ADAPTATION and mitigation of climate change

Environmental Footprint

103-2, 103-3, 302-1, 302-3, 302-4, 305-1, 305-2, 305-3, 305-4, 305-5

ABANCA is an Entity committed to the environment and, therefore, measures, manages and implements measures for reducing its environmental footprint in order to promote sustainable consumption of resources and a positive effect on health and well-being.

The Bank has begun to define an environmental footprint plan that will serve as a roadmap and environmental management mechanism, and that encompasses all the actions for monitoring and measuring the progress made.

One of the most recent examples of commitment to the environment was the opening in Madrid of the branch office Espacio Serrano 45, an innovative centre equipped with cutting-edge technology and refurbished following more stringent sustainability criteria to

generate a positive impact on the environment. Special attention was paid to aspects such as energy efficiency, control of consumption in climate control installations, lighting, ventilation, power, use of sunlight, water saving and improving internal environmental quality, inter alia. We expect to complete LEED (Leadership in Energy & Environmental Design) certification, the internationally recognised official standard that determines whether or not a space is considered sustainable and the process for obtaining the AENOR Zero Waste Certificate.

The Entity has taken a decisive step forward in the evolution of its commercial model and in the way of relating to its customers, with the aim of offering them a differential experience and convenience with the minimum environmental impact.

Energy

Energy efficiency

EnIn 2021 the Strategic Energy Efficiency Plan 2021-2024 was renewed, in which five key levers are defined to achieve the objectives:

- Advanced energy management. Implementation of an energy management system.
- Reduction of the operating time of the facilities.
- Reduction of energy consumption.
- Implementation of self-consumption through renewable energies.
- The awareness and education of primary stakeholders.

The plan provides guidance to achieve greater control over energy consumption, simplifying their management and identifying where they are produced. In this way, we can carry out an in-depth analysis of the investment in energy efficiency and establish optimised operating procedures for our facilities, with the ensuing reduction in energy consumption and CO₂ emissions.

At the beginning of 2021, ABANCA and the Datadis electricity consumption data supply platform, spearheaded by Spanish electricity distribution companies E-DISTRIBUCIÓN, i-DE, UFD, E-REDES, VIESGO, BEGASA and those incorporated in the Aseme and Cide associations, entered into a collaboration agreement whereby the Bank actively participates in the development of the application that will make it possible to automatically obtain the individual information offered by Datadis in its private area.

The tool facilitates obtaining electricity consumption data in a simple and automated manner such that those companies that wish to incorporate them in their own management systems can do so automatically. Datadis is especially interesting for consumers with more than one supply point from different distributors.

ABANCA is the first financial entity to collaborate with this project, which benefits the

entire population and the business fabric free of charge. The Bank was a pioneer in testing the new application and in incorporating the information that Datadis shows in its internal energy management system.

ABANCA's experience in this process and in the analysis and subsequent use of the consumption data of its real estate network helps to expedite development times in order to place the interface at the disposal of other consumers interested in a shorter time frame. Thanks to this application, users can consult information about their supplies, contracts, consumption by hour and maximum installed powers in an automated way.



Global Energy Efficiency Plan

	2020	2021
Number of branch offices with automatic shut-down of air-conditioning systems	356	356
Number of obsolete cooling units replaced	41	31
Percentage of reduction of energy consumption	6	1.8

Energy of renewable origin

ABANCA signed an agreement with Iberdrola in 2020, under which it would supply the company in all of its branches and offices in Spain with all of its electricity, coming from, as of the date of signature, renewable sources (wind, solar or hydro-electric energy). The agreement guaranteed that Iberdrola would supply ABANCA and its Social Welfare Project, Afundación, "origin guaranteed" energy by the National Commission on Markets and Competition (CNMC), which would allow it to reduce its environmental impact and thus collaborate on environmental sustainability. With this measure, the emission of 3,339 tons of CO₂ was prevented in 2021, thus making progress toward the goal of becoming a carbon-neutral Entity.

In September 2021, with the aim of confirming its commitment to sustainability, ABANCA and Endesa entered into a collaboration agreement on renewable energy to cover most of the financial Entity's electricity demand over the next ten years with energy of Galician origin. The contract guarantees ABANCA that the supply of renewable energy at stable prices and will imply the construction of a new Endesa wind farm in Galicia.

The agreement became effective on 1 January 2020 and has a duration of ten years. During that time, Endesa will supply ABANCA electricity from wind energy to cover 70 % of the electricity demand of its branch offices and head office in Spain and Portugal.

The electricity supplied will be fully generated at wind farms located in Galicia throughout the term of the agreement. Initially, it will be generated at Endesa's current facilities in the province of Lugo. After January 2023, the electricity will be generated by Endesa's new renewable facilities in Galicia, which are currently under way..

Consumption

	2020	2021	% Variation
Energy (GJ)	91,511.88	86,762.41	-5.19 %
Energy of renewable origin (GJ)	64,011.42	81,487.82	27.30 %
Energy of non-renewable origin (GJ)	27,500.46	5,274.60	-80.82 %
Electricity (GJ)	88,778.43	83,864.32	-5.54 %
Fuels (GJ)	2,733.45	2,898.10	6.02 %
Energy intensity (GJ/employee)	16.20	14.65	-9.57 %

Waste management and minimisation

Waste generation is one of the most complex environmental goals faced by modern societies, since it is steadily increasing on a global scale.

Adequate waste management can contribute to savings in raw materials and guarantee economic sustainability, positively impacting the conservation of natural resources and ecosystems.

To this end, the Entity established a series of measures and initiatives through which it reflected key aspects such as care for the environment, adequate waste management and the circular economy. Work has also begun on initiatives related to the use of bulk cleaning products, the elimination of plastic and vending only with local products.



1

The Zero Waste Project focuses on waste generation points and contributes to driving the circular economy, since reuse and recycling is prioritised, leveraging waste as raw material for new processes. It consists of separating the waste generated at origin into fractions that are managed and recovered by authorised waste management companies.

It arose as a project in 2020 but has become established as part of ABANCA's culture and identity and of the main objectives of the environment line.

The objectives of the project are as follows:

- To advance in the sustainable action model and to establish the most adequate environmental management mechanisms to contribute to the conservation of natural resources.

- To efficiently collect, classify and recover all the waste generated, incorporating it into the system as new resources or secondary raw materials, thereby gradually reducing its disposal at landfills.
- To raise awareness throughout all employees on the Zero Waste criteria and fulfil the 2024 objective of extending the zero waste project to all corporate head office.

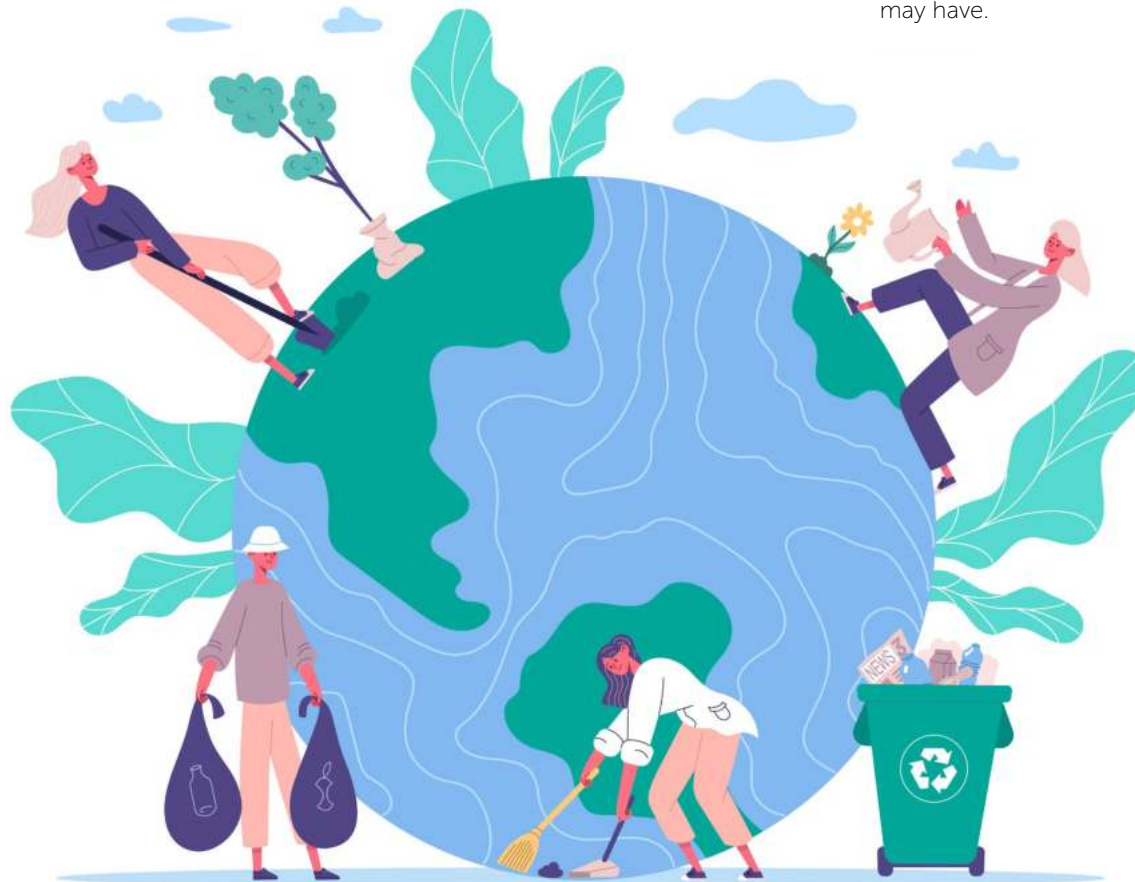


In this regard, in accordance with the principle of total transparency towards society included in our sustainability policy, in 2021 we underwent several audit processes, which allowed the Bank to obtain the AENOR Zero Waste certificate in the A Coruña (Rúa Nueva, 30), Madrid (Recoletos, 4) and also ABANCA Seguros (A Coruña) head offices.

This environmental seal recognises that the Bank recycles more than 90 % of the waste generated in these buildings and evidences the success of the waste management model that we have implemented in the context of our sustainability strategy and our Energy and Environment Policy.

In addition to the certified head offices, the Zero Waste measures have been implemented in others, following the same sensitisation, training and installation procedure at each plant so they can have their Eco Corner to facilitate the collection, classification and recovery of the waste we generate in the most efficient way possible, in addition to re-incorporating it in the system as new resources or secondary raw materials.

For the different training actions accessible to all employees with information on the importance of reducing waste and separating it properly both in the professional and personal environment, the project is supported by colleagues, called allies, who reinforce the training and sensitisation actions implemented, explaining how we should separate waste to the other users of their plants and clarifying any doubts they may have.





2

Electronic Waste Management. Improper treatment of electronic wastes poses serious problems for health, due to the fact that they contain hazardous components that contaminate the air, water and soil. Year after year, we progress toward a circular economy model as a new economic paradigm and alternative to the current model of production and consumption.

The goal at hand is for electronic devices to be able to have a second life, thus reducing the notable environmental impact that this type of waste generates through their refurbishment.

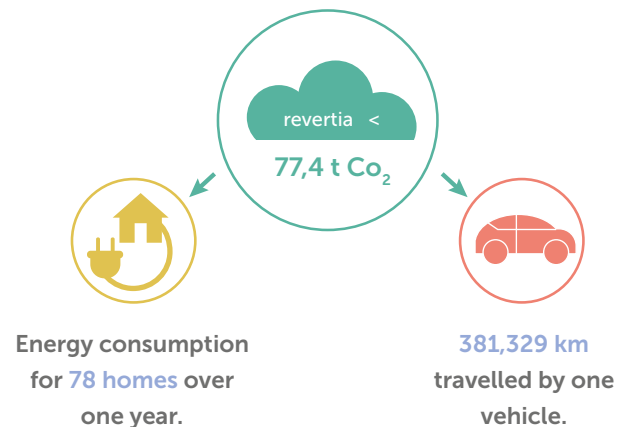
During 2021, the company Revertia withdrew more than 75 tons of electronic waste from our facilities. Of all the waste managed, more than 8 tonnes of equipment (PCs, LCD screens, and mobiles or tablets) were recovered, accounting for 11.1 % of reuse of total managed waste. The rest of the equipment that has not been able to be restored has been sent to treatment plants to proceed with proper recycling and evaluation.

Within this re-utilisation process, life-cycle analysis (hereinafter, LCA) is made. The LCA is a tool used to evaluate environmental loads associated with a product, taking into account its full cycle. It identifies, quantifies and characterises the different potential environmental impacts associated with each

stage of a product’s life cycle. The percentages of reuse achieved have allowed us to save on 77.4 tonnes of CO₂ which would have otherwise been released into the atmosphere.

	2020	2021
Electronic waste managed (kg)	208,849	75,283
Electronic waste removed (t)	208	75
Electronic waste recycled (t)	n.d.	7.1
Electronic waste reused (t)	2.3	1.3
Emission savings due to reuse (t CO ₂ eq)	33.62	77.4
Energy Consumption for homes over one year (No.)	43	78
Distance travelled by one vehicle (km)*	101,241	381,329

*References for making calculations in vehicles: average vehicle (internal combustion) emissions are taken into account from tourism in Europe for different technologies: EURO 3, 4 and 5. Furthermore, an approach of from cradle to grave (or well to wheels) is followed, i.e., it includes production of the fuel through to its emissions after being consumed in the vehicle.





3

Digital transformation: reduction of paper consumption.

Volume of correspondence

	2020	2021
Total (thousands of remittances)	10,287.40	4,903.64
Percentage variation	-1.72 %	-52.33 %

Paper consumption

	2020	2021
Total (t)	303.93	215.06
Percentage variation	-11.1 %	-29.24 %



4

Water

Consumption

	2020	2021	% Variación
Water (m ³)	31,430.00	28,003.00	-10.90 %



5

Carbon footprint

Since 2019 an ad hoc tool is used to calculate the carbon footprint. The reference documentation for developing the tool is as follows:

- [Greenhouse Gas Protocol family of standards and directives](#), developed by the World Resources Institute and the World Business Council for Sustainable Development:
 - Greenhouse Gas Protocol Revised Edition. A Corporate Accounting and Reporting Standard, 2004.
 - GHG Protocol Scope 2 Guidance. An amendment to the GHG Protocol Corporate Standard, 2015.
 - Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Supplement to the GHG Protocol Corporate Accounting and Reporting Standard, 2011.
- [ISO 14064-1. Greenhouse Gases, Part 1](#): Specification with guidance, at the organisation level, for the quantification and reporting on emissions and removals of greenhouse gases.

The emission factors used for the calculation are as proposed by the different official agencies, such as DEFRA (Department for Environment, Food & Rural Affairs – U.K. Government) or MITECO (Ministry for Ecological Transition and the Demographic Challenge).

Emissions

	2019	2020	2021	% variación
Scope 1 (t CO ₂ eq) ¹	1,849	1,450	1,457	0.48 %
Scope 2 (t CO ₂ eq)	7,029	1,123 ²	116	-89.67 %
Scope 3 (t CO ₂ eq) ³	3,105	1,012 ⁴	1,024	1.19 %
Total	11,983	3,585	2,597	-27.56 %
Staff emission intensity (t CO ₂ eq)	2.01	0.63 ⁵	0.44	-30.16 %

¹ Direct emissions derived from the consumption of refrigerant gases and fuels.

² Data from 2020 differ from those reported in the MCRS2020 because some calculations have been adjusted according to the emission factors of the supplying companies.

³ This covers the emissions associated with employee travel, losses in the transmission and distribution of electricity, and the extraction, production and transport of fuels consumed.

⁴ Data from 2020 differ from those reported in the MCRS2020 because some calculations have been adjusted according to the emission factors of the supplying companies.

⁵ Data from 2020 differ from those reported in the MCRS2020 because some calculations have been adjusted according to the emission factors of the supplying companies.

100% Guarantee of Origin of renewable Energy

	2020	2021
Emissions avoided with the guarantee of origin of the energy	3,624	3,427

Furthermore, for the first time we calculated the carbon footprint of Afundación, ABANCA's Social Welfare Project, with the following result:

Emissiones

	2021
Scope 1 (t CO ₂ eq)	1,230.33
Scope 2 (t CO ₂ eq)	0.00
Scope 3 (t CO ₂ eq)	108.07
Total	1,338.39



Reduction plan

ABANCA's Carbon Footprint Reduction Plan 2019-2021 takes as its base the first year of calculation verified externally, i.e. 2019. Thus, the first year of compliance of the reduction objectives is 2020. For 2020, a main reduction objective of 50 % for Scope 2 was established and amply exceeded.

For 2021, a reduction objective of 75 % for Scope 2 was established, taking 2020 as a basis, when emissions were reduced by more than 89 %.

Therefore, the adoption of the reduction measures and good practices gave rise to a significant reduction in GHG emissions, especially in Scope 2, which we consider the main source of emissions.

To this we must add the reduction of emissions through the renewable energy contract with Endesa and the measures implemented within the Global Energy Efficiency Plan.

In order to fulfil the established objectives, ABANCA's involvement is materialised in initiatives it carries out and that grow year by year, in its commitment to advance toward a low-carbon economy and sustainable

environment. In addition to increasing the partnerships for collective action with global impact.

The established measures, after identifying the main sources of GHG emissions and after examining the possible alternatives for reducing their emissions, are aligned with the Sustainable Development Goals and are proposed by area and year of implementation.

The actions implemented by the Entity, integrated in the Global Energy Efficiency Plan, include, namely, those that seek to reduce the energy consumption generated, such as the new branch office model, which makes it possible to optimise electricity costs through the automated remote management of lighting and climate control.

Other measures adopted include the regulation for business trips, electronic waste management actions, obsolescence plan or the consumption of 100 % renewable energy with guarantee of origin.

Environmental restoration initiatives and sustainable forest management

ABANCA has worked with the Galician Forestry Association, through which two reforestation actions were carried out in two land plots owned by ABANCA in Galicia.

The work was carried out with full incorporation in the environment, following silvicultural itineraries that are contrasted and adapted to local seasonal conditions, and in compliance with the regulations in force, such as the requirements established in the most internationally recognised forest management certification systems (the FSC system and the PEFC system).

In order to respect biodiversity, pine plantations were carried out in the level areas of both land plots (in line with one of the objectives of Fundación ARUME, of which we are trustees, which is to promote the development of this species in our community) and in the riparian forest area and based on the structural characteristics of the terrain, ash, alder,

chestnut, hazel and birch trees were selected for this area.

The work enabled the plantation of around 1,700 trees and to potentially offset of ABANCA's CO₂ footprint, pursuant to Royal Decree 163/2014, of 24 March, on the creation of the Carbon Footprint Registry, Offsetting and Carbon Dioxide Absorption Projects. To this end, an absorption project and a land management plan will be developed, documents which are necessary to proceed with the registration in the Official Register of the Spanish Climate Change Office of the CO₂ absorptions generated by the forest cover created.

One of the plantations was carried out through an activity within the Volunteering programme, in which ABANCA and Afundación volunteers participated.

The session finished with a small nature walk along the native Galician forest or *fraga* to discover its environmental wealth and the footprint left by man, which is reflected in the construction of two windmills.



INITIATIVES for biodiversity protection and awareness



1

Guide of Best Practice. ABANCA has internally prepared and published an environmental guide of best practice aimed at raising awareness throughout the entire team of the importance of responsible consumption of the resources and becoming a more sustainable company, in accordance with the established environmental objectives, with the ensuing positive effect on the health and well-being of people in the environment.

The guide includes a series of guidelines and recommendations for reducing energy consumption, using water responsibly, improving waste management, reducing paper consumption and contributing to sustainable mobility at work.

Consistent with this, in September 2021 we launched a campaign, that will extend over the coming years, with the aim of raising awareness throughout all employees of the importance of responsible energy consumption. This initiative aims to offer tips on how to reduce energy costs in the professional and personal environment.



2

Living networks. Another example of projects launched in the sphere of the circular economy is Living Networks, which ABANCA launched coinciding with Ocean Day, and our commitment to the Sustainable Ocean Principles.

Each year, nearly 620,000 tonnes of nets end up in the sea, threatening and polluting the marine ecosystem. They account for 10 % of the plastic waste in the ocean.

To address this problem, which affects all of society and especially the fisheries sector, this initiative was launched with the aim of giving all those kilos of ghost nets a second life with the help of the net menders. A project that combines commitment and innovation with tradition and craftsmanship.

Living Networks encompasses all fishing gear, from recycling to installation in club sports fields and courts sponsored by the Bank in the context of its ABANCA Deporte Base programme, an initiative that reaches nearly 20,000 sportsmen and women from nearly 1,700 teams.

The action has a positive impact on three of the strategic lines: sustainability, since it contributes to caring for the environment and fosters the circular economy; promotion of the local economy and production sectors, bringing innovation and visibility to a traditional and artisanal trade carried out mainly by women, and support for sports, equipping Galician clubs with material.

A total of 1,500 kg of ghost nets invading our coasts were removed. After a painstaking reconditioning process carried out by the net menders, the nets were recycled and will be used as sports equipment in six sporting disciplines of the 34 supported by the bank through its ABANCA Basic Sports programme: football, handball, indoor football, roller hockey, kayak polo and field hockey, and will be used by more than 5,000 sportsmen and women. To date, thanks to the work of the net menders, they have been transformed into 1,514 m² of sporting equipment.



3

Territorial Conservation Plan ON «PLANCTON»: for marine biodiversity.

Within its dynamisation of sustainable and volunteering initiatives, and focused on the protection of biodiversity, Afundación drives PLANCTON (Territorial Conservation Plan ON), a project aimed at Special Protection Areas for Seabirds (SPAs). This novel multidisciplinary programme, started up in 2021, has made it possible to remove the nearly 19 tonnes of waste from the sandbanks and seabeds of different coastal areas of Galicia.

With the aim of contributing to the conservation and sustainability of four of the existing SPAs in Galicia within the Natura 2000 Network, initiative included the collaboration of the Biodiversity Foundation of the Ministry for the Ecological Transition and the Demographic Challenge, co-financed by the FEMP, also being complementary to the LIFE-IP INTEMARES project.

The results of the plan were possible thanks to the collaboration of nearly 800 ABANCA and Afundación volunteers, in addition to different groups of the fisheries and shellfish harvesting sector, and from other entities that participated directly in the different seabed and coastal cleaning initiatives. In this way, the PLANCTON project has been a major axis around which different agents collaborated, a total of 23, including fisheries sector entities, such as

fishermen's guilds and shellfish harvesters' associations, Local Fishing Action Groups (GALP), ANMUPESCA, municipal councils, Civil Guard and Civil Protection, tertiary sector institutions such as Bata, Con Eles or the Naturalist Habitat Group, as well as the National Maritime and Terrestrial Park of the Atlantic Islands of Galicia or the Galician Federation of Underwater Activities, inter alia.

In addition to the 12 waste removal initiatives carried out, six in sandbanks and another six in shellfish beds, measures related to the conservation of species were adopted related to the conservation of species, minimisation of incidental catches of birds while fishing and the implementation of sustainable practices in the socio-economic activities related to the maritime sector in the Special Protection Areas for Seabirds (SPAs) through the PLANCTON project. A performance supported by informative and dissemination actions in favour of sustainable sensitisation of society in general, with different sensitisation and training activities on the intrinsic value of biodiversity and its conservation, including exhibitions and other dissemination activities, with the participation of different professional experts in this field.

18,691

kilos of waste removed.

20

biodiversity protection actions.

766

participation of volunteers in actions.

3,113

volunteering hours.

+25 BOATS

participating in seabed cleaning.

+ 300

fishermen, shellfish harvesters or divers involved in the different actions.



4

Wishing for a better world. In 2021 we sent our customers a birthday greeting through which they could transform their wish into working hours for social welfare and environmental projects in collaboration with the volunteers of ABANCA's Social Welfare Project.

We sent an email greeting through which our customers accessed a landing page where they could transform their wish into working hours for social welfare and environmental projects, which were encompassed into three main types: protect our biodiversity (environmental sensitisation, protect native flora and fauna), social welfare (food collection, Cubertos programme, assistance to the elderly) and sustainability in the sea (removal of waste from seabed, cleaning of beaches, awareness of sustainability in the fisheries sector, etc.).



5

Visual arts for sustainability. With connections to Afundación and ABANCA projects such as «Cultural Current», culture and art have served to disclose the concept of sustainability in its widest sense. Thus, two main lines of action are distinguished: One, with proposals linked to SDGs 13, 14 and 15, related to environmental sustainability; and another, in line with SDGs 4, 5, 10 and 11, focused on the reduction of inequalities and promotion of knowledge.

One of the best received exhibitions took place in Afundación's head offices in Lugo and Ferrol. The exhibition «Our planet», based on the applauded Netflix documentary series, raises awareness on the urgency of caring for the environment and on the need to involve society as a whole.

«Our oceans», exhibited in the main square of Lugo thanks to the collaboration of the City Council, Planeta publishing house and curated by the prestigious naturalist Joaquín Araújo, offered spectacular images of marine biodiversity: humpback whales, polar bears, butterfly fish, basking sharks and dolphin colonies. Other municipalities such as Burela, Ribeira or Sanxenxo also enjoyed this informative exhibition,

and in places such as Fene or Muxía, inter alia, the «Children of the Ocean» exhibition displayed a comprehensive selection of images of fishing communities around the world by the photographer Javier Teniente.

Another exhibition included in «Cultural Current», a cultural capillarity programme in Galicia, is «Water. The Earth's blood», by Manuel Valcárcel, which was held in Muros, Pontecaldelas and Miño, among other municipalities. The exhibition shows, in images taken on the five continents, the relationship between humans and water, inviting the audience to reflect on the impact of our daily activities on the planet.

Aligned with SDG 10 for the reduction of inequalities, the exhibition «The slow life. Memories and the rythm of the Galician rural», which was held at Afundación's head office in Vigo and in the Café Moderno Afundación, in Pontevedra, reflects on ways of life linked to rural Galicia, its iconography and its presence in contemporary culture.



Cultural Current.

Our planet.

Our oceans.

Water. The Earth's blood.

The slow life. Memories and the rythm of the Galician rural.

The cultural and natural heritage of Galicia is also the focal point of the documentary series produced by Rubén Riós, «Arrieiros somos», whose second season was aired on Afundación TV. Through the experienced eyes of its protagonists, senior citizens, this production of Claqueta Coqueta explores the world of rural abandonment, loneliness, gender-based violence, emigration, etc., to enjoy, in turn, the natural wealth and heritage of the municipalities that integrate the series: Cartelle, Os Blancos, Chandrexa de Queixa, Pantón, Sada, Fisterra, Teo, Quintela de Leirado, Brión, A Gudiña, O Carballiño and San Cibrao das Viñas.

Through more than 450 photographs of Galicia taken between 1924 and 1926, the book «*Unha mirada de antano: Fotografías de Ruth Matilda Anderson en Galicia (A Glimpse of Yesteryear. Phoyographs of Ruth Matilda Anderson in Galicia)*» bears witness to a long forgotten time. In 2021 Afundación and The Hispanic Society of American presented the fourth edition of this photographic account of the author during her research trip to Galicia at the

request of the founder of The Hispanic Society of America, the philanthropist and hispanist Archer Milton Huntington.

«Untamed. Stories to open the way» offered an interesting audiovisual projection with the inspiring and pioneering stories of 12 women (seven Galician, five from other parts of Spain) at Afundación's head office in Santiago aimed at reflecting on gender equality, one of the essential Sustainable Development Goals. A sensitisation also present in the exhibition «CROMÁTICA. 3rd International Contemporary Illustration Exhibition» which took place at Afundación's head office in A Coruña and in which, through 19 artists, 12 of which women, the concept of colour alludes to different latitudes and cultures. Furthermore, the exhibition «Look Again. Women against Time», held in Santiago de Compostela, proposed revisiting the traditional artistic model through the works of the female artists present in the art collections of ABANCA and Afundación, which also featured loans from various private collections.



Arrieiros somos.



Unha mirada de antano: Fotografías de Ruth Matilda Anderson en Galicia (A Glimpse of Yesteryear. Phoyographs of Ruth Matilda Anderson in Galicia).



Untamed. Stories to open the way.



CROMÁTICA. 3rd International Contemporary Illustration Exhibition.



Look Again. Women against Time.





6

Naturnova: nature in the 21st century.

Afundación's environmental education centre, Naturnova, inaugurated in 2003, reopened its doors on 15 November to receive school groups with previously scheduled appointments. On 4 December, entrance was granted to the general public.

This reunion with society allowed the visitors to attend various presentations and activities aimed at reflecting on respect for the environment, with more than 30 modules related to science, the environment and sustainability, space and our planet: dinosaurs with augmented reality, landscapes created with sandbox, the recreation of a tornado, immersion in the Galician seabed in a submarine simulator, etc. During the time that Naturnova was closed because of the pandemic, some of its activities were transferred to schools, in the context of the STEAM proposals dynamised by Afundación's Educational Service, thereby maintaining, at all times, the contact and offering for the school community.



7

Caring for natural heritage.

The initiatives promoted by ABANCA and Afundación include, namely, action on the ground, and within the programme *Trabajando por la mejora del patrimonio natural* (Working for the improvement of natural heritage), of the volunteers who planted, in November, 300 native trees in Fragas do Eume, in collaboration with the Habitat Naturalist Group, Fragas do Eume e Betula Natural Park and the Association for the Protection of the Atlantic Forest. This line of action was also followed in the plantation of 300 native trees in Gondomar, in collaboration with the Habitat Naturalist Group and Montes de Couso Community.

A total of 600 trees were planted thanks to sustainable and volunteering activities that will be maintained in the future.

The commitment of Afundación and ABANCA to the environment was also strengthened in June with the «Mes del medioambiente» (Environment month), through conferences, environmental volunteering actions, exhibitions and virtual recreations.



Naturnova.


SOCIAL
awareness

**Through
EDUCATION**

103-2, 103-3, 203-1, 413-1

Education constitutes one of the cross-cutting pillars of Afundación, ABANCA's Social Welfare Project. Therefore, we are a decisive agent in Galicia, both in terms of formal education, from nursery school to higher education in vocational and university training, and in the development of a demanding extracurricular programme for all ages.

We implement our proposals in the different spaces of our wide infrastructure network, in which the university campuses are incorporated, the two vocational

training centres of A Coruña and Vigo, the Afundación Residence Hall for Students in Pontevedra, the Afundación Nursery School in Zalaeta, the espazos +60 and our head offices and centres.

Our commitment to education led us to promote the creation of the Intercontinental Business University (UIE), whose recognition law was approved by the Galician Parliament in July 2021. Thus, the first private university with a vocation for public service was born in Galicia, which will open its doors in the 2022-2023 academic year.

UIE

The Intercontinental Business University (UIE) is the firm commitment of ABANCA and Afundación to create the first and only private university in Galicia. It arose as a project aimed at creating economic, social and cultural value, with a strong international orientation and specialised in the broad field of enterprise, with a wide, interdisciplinary quality offering.

The UIE presents an avant-garde experiential learning model, unique in Europe, with the student at the centre. A private, non-profit university with a vocation for public service committed to the sustainable development of the Galician society, culture and economy, open to collaboration with the Galician university system. In the words of its Dean, Dr. Miguel Ángel Escotet, *«a university for innovation that allows vigorous capacity for creation, research and change; a university for humans, focused on scientific and technological progress and oriented towards service to people and their habitat, and a university where we will make every effort to educate both the talent and character of people».*





IESIDE

In the sphere of higher education, with more than 60,000 alumni, IESIDE is the benchmark private, non-profit institute for higher education in north-eastern Spain since 1987. Its degrees cover a wide spectrum in the context of business management through programmes such as its Degree in Business Administration; master degree programmes such as MBA (in its university and executive versions), Financial Management, Marketing Management, International Businesses and Digital Management; medium-term programmes (Sales Management, Corporate Compliance, Big Data and Executive Management Program); and In-Company training projects.

An educational proposal to train the professionals of the 21st century with a lifelong learning approach, more flexible than ever in duration, accessibility (allowing online access where necessary) and specialisation; more international and, at the same time, oriented to the reality of the community, based on the concept of Galicia as a unique

campus, facilitating networking among the participants. Such is the case of the Executive MBA, a master’s course adapted to the current economic scenario which enables professionals with at least 8 years of experience to further their role as managers and team leaders; the Exponential MBA, which combines MBA contents with the new trends in exponential technologies; and of the specialist and In-Company training programmes.

IESIDE’s purpose of serving as a higher education centre with vocation of public service, providing elite education for to society as a whole, drives the «IESIDE sin muros (IESIDE without walls)» virtual programme initiated in 2020. An open space where master classes, seminars, colloquiums, congresses, etc., of an educational nature, linked to IESIDE’s academic areas of study, are imparted.

International projection

IESIDE strengthened its commitment to internationalisation as an essential value in the academic training stage by entering into two new academic and research collaboration agreements with New York State University, at its main Albany campus, and the Institute for Advanced Management Studies (IESA) of Venezuela. Both agreements will make it possible to increase the academic exchange of programmes, students and professors, reinforcing IESIDE's international network, which extends to multiple universities.

Through these two alliances, IESIDE consolidates and continues its historical collaboration with universities of other countries: the London School of Economics, Haute École de Gestion de Genève, Dublin Business School of Ireland, Flensburg University of Applied Sciences of Germany, Poznan University of Economics of Poland, Université Toulouse III-Paul Sabatier, University of Applied Sciences of Vienna and Nova University of Lisbon. In America, in addition to the two agreements reached in 2021, agreements have been entered into with Georgetown University and the University of California, in Riverside. In Asia, the last four years of close collaboration with the University of International Business and Economics (UIBE) and Tianjing Foreign Studies University in China should be noted, in addition to cooperating with Istanbul University, Tel-Aviv University and the Collier School of Management.

In 2021, IESIDE advanced in the consolidation of its cross-cutting internationalisation plan in all its training offering, as in 2020 with the Exponential MBA, the first and only MBA in Spain to apply an exponential approach to MBA contents, brought together students from six countries and was strengthened by the introduction of a stay in Lisbon at the NOVA School of Business & Economics, leader in Portugal, which stands out among the best European business schools.



» **In the case of academic relations with China**, worth noting was the presentation in 2021 of the II Global Forum «Galicia: Bridging China and Latin America», a benchmark space in Galicia in the analysis of the reflection on the strategy of Galician companies for entering the Chinese market.



Research

The transfer of knowledge to society is consolidated through initiatives such as IESIDE Ediciones, created in 2021 to provide the national and international scientific, academic and business community with academic essays and research in the fields of economics, globalisation, enterprise, new technologies, human capital, corporate social responsibility and related areas. A commitment to promote new creative strategies and actions across the whole spectrum of business and entrepreneurship.

Después de la pandemia: Reflexiones y desafíos para Galicia (After the pandemic: Reflections and challenges for Galicia) is the first title of this initiative. It is a reflection, in a bilingual Spanish and English edition, on the economic impact of COVID-19 in which 11 relevant experts in their respective fields address different proposals for the new context, from a global and national perspective with a special focus on Galicia.

Furthermore, ABANCA, in collaboration with IESIDE, continued to develop new reports in the framework of the *ABANCA observatory by IESIDE*, which was created in 2020 with the aim of providing Galician society and especially their production fabric with data on the evolution of the community. Thus, in 2021 the Observatory published nine waves of data on the evolution of Galician society in the extraordinary context arising from the impact of COVID-19.

IESIDE, in collaboration with ABANCA and the Universidade de Santiago, annually publishes the study *A Economía Galega (Galician Economy)* which, in its 2020-2021 report, addresses the incidence of the pandemic originated by COVID-19 in the economy. Directed by Alberto Meixide and prepared in collaboration with the Instituto de Estudos e Desenvolvimento de Galicia (IDEGA) of the Universidade de Santiago de Compostela and ABANCA's IESIDE Research Centre, is the longest-running socio-economic publication in Galicia.



Después de la pandemia: Reflexiones y desafíos para Galicia (After the pandemic: Reflections and challenges for Galicia)



ABANCA observatory by IESIDE



A Economía Galega (Galician Economy)

Scholarships

True to its social commitment to promoting access to quality education, IESIDE has an inclusive scholarship programme from which 31 students benefited during this academic course. In this way, the Academic Excellence Scholarships reward good student grades while taking into account economic criteria in the granting process. They cover up to 90 % of the enrolment price in each of the academic years and are renewable on a yearly basis

In this academic year, scholarships were also granted to the winners of the 2nd Exponential MBA Challenge by IESIDE, organised in collaboration with ABANCA Mar and ANFACO. A programme that includes the collaboration of the Nueva Pescanova Group and Lanzal, which have become patrons of new talents by incorporating the award winners into their staff.



» **Also, in 2021 the First AMEGA IESIDE Scholarship was awarded**, as a result of the recent partnership between IESIDE and the World Association of Galician Entrepreneurs.



Commitment to sustainability

IESIDE is a university centre attached to the University of Vigo and business institute, in which the principles of social responsibility, volunteering and environmental sustainability constitute cross-cutting values present both in the academic programme and in the extracurricular proposals developed by the institute and which have led the institute to form part of international initiatives such as Principles for Responsible Management Education, the Sustainable Development Solutions Network and the UNEP FI (United Nations Environment Programme Finance Initiative), being the first university institution in Europe to adhere to it.

At IESIDE, ethical training is incorporated in the undergraduate, graduate and entire executive education portfolio. As a signatory institution of the United Nations' Principles for Responsible Management Education (PRME), the Business Ethics training provided in the Degree in Business Administration and Management (ADE) strengthens students' capabilities to generate more inclusive societies and a sustainable global economy (Principle 1: Purpose). In 2021 special emphasis was placed on Principle 2 (Values: Curricular integration of social responsibility

activities), on Principle 5 (Partnerships: Interaction with external companies and agents to promote knowledge and address real challenges) and on Principle 6 (Dialogue: Generation of discussion with companies, civil society, organisations and stakeholders).

In this line, among the different actions carried out, the following four stand out: participation in learning-service projects for the Vigo Food Bank and for Special Olympics, applying marketing knowledge to the improvement of strategies in social networks of both organisations (principles 1, 2 and 5). The debate between Ángel Matamoros Irago, Corporate RSC Director of the Nueva Pescanova Group, and Pilar Alves Moreno, General RSC Coordinator of Afundación, on good practices in companies (Principle 6) and the dissemination of social impact projects developed by IESIDE alumni, such as Rosa Soliño Campos, founder of the Vigo Race Against Cancer. Lastly, IESIDE's «Ethics Day» included the participation of the co-chairman of the United Nations' PRME Working Group on Poverty, Serbian Professor Milenko Gudic, who debated with his students on leadership and social inequality. These activities merited a commendation from the United Nations in its PRME Anti-Poverty WG Update April 2021 report.



ConCiencia Sostenible.



» With the same aim of raising awareness and drawing attention to the Sustainable Development Goals, the «**ConCiencia Sostenible**», has been programmed since June on Afundación TV, offering informative conferences given by leading experts. It consisted of a total of 10 episodes, which addressed issues such as «Climate change: from changing the air to changing the seabed», «Chemistry to the aid of oceans», «We can anticipate the effects of climate change», «Responsible production and consumption», «Life of land ecosystems», «The evolution of income inequality in and between countries», «Education for global citizenship in the education system: some keys to action», inter alia.



Afundación Vigo Home School.



Afundación A Coruña Vocational Training Centre.

Vocational training

In the context of promotion of knowledge as one of the essential driving factors for full social development, Afundación, ABANCA's Social Welfare Project, has centres such as Afundación Vigo Home School and the Afundación A Coruña Vocational Training Centre, which seek to train competent students committed to their environment and flexible to changes in the labour market. The aim is to promote innovation and sustainability through transformative education, promoting a syllabus with high potential for society.

Once face-to-face classes have been resumed, both centres continued to develop their teaching activity in compliance with the new sanitary and educational legislation and, after the pandemic hiatus, the combination of face-to-face and digital has become an added value that characterises them. Recruitment benchmarks in the labour market in their respective areas of speciality in Galicia, once again the two centres closed their enrolment period with a waiting list, with special demand for computer science courses, once the A Coruña Vocational Training Centre completed the implementation of the Advanced WEB Application Development programme.

At the end of 2021, the Afundación Home School was selected, together with two centres in Euskadi and Catalonia, in the national call for applications for grants from the Ministry of Education and Vocational Training, aimed at developing applied innovation and research projects and knowledge transfer in vocational training for their project 5G Remote Laboratory for Collaborative Robotics, Furthermore, at the beginning of the year, the centre organised a new edition of its Technical Week, an initiative that has been organised for the last 14 years with the aim of bringing their students closer to the reality of the labour market, with the participation, on this occasion, of professionals from 20 companies from all over Spain.





Residence Hall for Students

The Afundación Residence Hall for Students in Pontevedra, inaugurated in 1969, began the academic year 2021-2022 with no vacancies (with a waiting list) and a specific sanitary protocol to guarantee the security of professionals and students. The 120 places offered were covered, in an environment with measures for avoiding risk of contagion: wider dining room opening hours, mandatory use of facial masks in all common areas, provision of strategic hygiene and disinfection points, specific isolation area in cases of coronavirus detection, etc.

During the year, and in the context of Afundación's strategic lines, all types of activities are promoted that complement students' cultural, scientific and sports training. Social initiatives are also carried out, such as the collaboration with Special Olympics Galicia, a holiday scheme for people with different capabilities that promotes activities with the aim of favouring their inclusion and give this collective visibility. A total of 124 people from nine Galician companies enjoyed their vacation in the Afundación Pontevedra Residence Hall for Students.



Afundación Residence
Hall for Students.

Afundación Zalaeta Nursery School

It is a benchmark centre in the city of A Coruña founded in 1977, offering 92 places for girls and boys between 0 and 3 years old, in environmentally friendly surroundings that foster volunteering among families. Zalaeta has adapted its model to the new circumstances arising from the pandemic, highlighting the importance of school/family involvement for the improvement of the educational processes.



» **Once the lock-down period ended**, like all of the Bank's centres, it reopened its doors as a safe space, adapted in accordance with the recommendations of the health and educational authorities, to continue its important educational work in the broadest sense: each specific activity is aimed at meeting students' needs and fostering growth in values, such as to build a positive self-image and provide them with a set of favourable experiences that complement those lived in a family setting.



Zalaeta.





La loca aventura del ahorro
(The crazy adventure of saving).



Ready to take the leap.



Financial Grand Prix.



"Your finances, your future."

Training from childhood

In this academic year, within the primary school children's programming, Afundación TV premièred the theatre play *Cíclope (Cyclops)* and reprogrammed the play *Laberinto (Labyrinth)*, two plays created especially by the company Zarándula for our financial education programme and which are aimed at raising awareness of the importance of properly managing our finances from an early age.

Also, adapting to the context marked by COVID-19, which continued to limit the participation of students in extra-curricular activities, the programming included the online game «La loca aventura del ahorro (The crazy adventure of saving)», in which, through the adventures of a group of friends from planet Very Crazy, participants become aware that money is earned with effort, in addition to learning the importance of saving and solidarity. In 2021 the face-to-face format «Financial Grand Prix», which stresses the importance that students understand the relevance of properly managing money from an early age.

Secondary and baccalaureate students were able to enjoy another year of the cycle of conferences «Ready to take the leap», delivered by Carlota Sánchez-Montaña Puga, Assistant Coordinator of Education of Afundación and professor at IESIDE, which in this edition focused on the changes that digital transformation are imposing on society and their effects on the labour market. In addition to reaching educational centres all over Galicia, this conference was carried out in online format in the eight sheltered housing units for young people without family support managed by the NGO IGAXES. Developed in streaming format in the first months of 2021, it recovered its face-to-face format in the last quarter of the year, forming part of the Closing Ceremony of the Agricultural Training and Experimentation Centres of Galicia.

Completing the secondary education programming, in 2021 the programme promoted by Junior Achievement and the AEB (Spanish Banking Association) «Your finances, your future», aimed at young people between 13 and 15 years old. Additionally, in collaboration with the Galician Government, workshops were organised on the evolution and operation of the latest trends in the different payment media devices for students of Commerce and Marketing and Administration and Management in Vocational Training.





Partnership between ABANCA and Funcas

As in previous years, and coinciding with Financial Education Day, the General Manager of CSR, Sustainability and Communication of ABANCA and Chairman of Afundación, Miguel Ángel Escotet, and the Managing Director of FUNCAS, Carlos Ocaña, renewed the agreement reached by the entities with the aim of collaborating to improve the level and quality of citizens' financial knowledge.

The educational programmes Young Business Talents and Segura-Mente ABANCA form part of this action. The first initiative is aimed at promoting an enterprising culture among young pre-university students. Using an enterprise simulator, they can live the experience of managing a company and seeing how each decision affects the evolution of the business (in the 2021 edition more than 60,000 students from educational centres from all over Spain participated in the two programmes). Through the second initiative, primary, secondary and basic vocational training students are sensitised on the importance of preventing risks and properly planning their expenses, in addition to concepts related to the Sustainable Development Goals (SDG) with tools such as gamification to design a more attractive proposal in line with the age of participants who are planning a trip, and virtually travelling the different stages of the Way of Saint James.

Family-Owned Business in the Classroom

In 2021 the Galician Family Business Association (AGEF) and Afundación organised the first edition of the Family-Owned Business in the Classroom programme with the aim of conveying the importance of family-owned businesses to the economy and promoting entrepreneurship among the students. The senior executives of a dozen Galician family-owned businesses transmitted their values to more than 400 students of 10 schools throughout the community (from 6th year of primary education to 3rd and 4th years of secondary education), through video conferences and virtual visits to the companies.

The participants participated in an entrepreneurship competition to be eligible for the «Imagine your company», prize, which on this occasion was won by secondary education students of San José de Cluny in Santiago de Compostela and by primary education students of Eduardo Pondal de Cangas do Morrazo, for projects related to the computerisation of cities focused on transport and the organisation of shows, respectively.



Activities for senior citizens and «The financial galaxy»

The activities aimed at citizens over 55 years old focused on the workshops «Manage your accounts with ABANCA mobile» and «Make your life easier with ABANCA ATMs», which made it possible to broaden the training in self-management of personal finances.

ABANCA continued with the fourth edition of the financial skills competition «The financial galaxy» in its blog «Clear accounts», aimed at citizens aged between 16 and 65, who had to test their level of knowledge in matters such as personal finances, cybersecurity or financial concepts of the specialised blog glossary.

Global Money Week and World Savings Day

ABANCA joined the global awareness campaign Global Money Week, organised under the slogan «Care for yourself, care for your money», placing emphasis on the development of financial resilience and staying healthy in the current situation.

It also participated in the «Your finances, your future», programme, promoted by the AEB (Spanish Banking Association) with the pedagogical advice of Junior Achievement: through this activity, Afundación has contributed to improve the financial knowledge of 400 students.

With regard to the World Savings Day, ABANCA and Afundación commemorated the date once again with a lecture by the Chairwoman of the Spanish Union of Insurance and Reinsurance Companies (UNESPA), Pilar González de Frutos. A dissertation in digital format (broadcast live by Afundación TV) on the importance of saving for retirement and insurance.

Afundación contests and awards

With its firm commitment to the dissemination of knowledge, in line with SDG 4, on ensuring equal access to all levels of education and vocational training, Afundación has three prizes linked to journalism and literature, which contribute to promote the transmission of ideas and new forms of expression.

Afundación's recognition of journalistic work was renewed with the award of the **43rd Afundación Internacional Julio Camba Journalism Prize**, which was received by Bibiana Candia, author of «*Una legión de señoras en bata (A legion of women in dressing gowns)*», published in *Letras Libres*. Elena Medel and José de Cora Paradela were the finalists on this occasion. This prize, which is endowed with €10,000, is awarded to authors of articles written in Spanish and published on the media.

Miriam Ferradáns, for her article «*Dalias (Dahlia)*», published in *Nós Diario*, was awarded the **18th Afundación Francisco Fernández del Riego Journalism Prize**. This prize, which is endowed with €10,000, is awarded to literary or opinion journalism articles written in Galician and published in renowned newspapers. The finalists of this edition were Patricia Hermida, for «*Historia de como o avó Antonio subiu ao ceo (The story of how grandpa Antonio went to heaven)*», published in *El Correo Gallego*, and Cláudia Morán, for «*Un deserto (A desert)*», published in *Nós Diario*.

In December, in a ceremony broadcast live by Afundación TV, Medos Romero received her award in Ferrol as the winner of the **19th Afundación Poetry Prize**, for the book *E o sol era Ela (And she was the sun)*. With the collaboration of the Galician Government and the PEN Centre of Galicia, the award implies the publication of the book in the «*Arte de trobar*» collection and an economic prize of €6,000.



Prizes.



Values education

Afundación's proposals in this field encompass various disciplines and promote cross-cutting skills, always from a firm education in values. Knowledge through plural and updated contents, articulated in participatory and collaborative environments among audiences of all ages was newly promoted thanks to the programming of several financial, environmental and cultural education proposals, placing emphasis on stage and educational activities complementary to the exhibitions.

Training +60

In order to favour the acquisition of new skills or improve them, respond to the most varied interests and concern for relating to other people with similar interests, Afundación proposes, in the context of Active Ageing, an extensive training offering in fields related to art, languages, history, music, literature, health, nutrition or financial education, inter alia.

The programmes presented for the period 2021-2022, after months of isolation, offered proposals for recovering routines, overcoming the feeling of loneliness, developing strategies for coping with everyday emotions or recovering our life project. All this while continuing to promote lifelong learning, well-being, personal development and leveraging the life and professional experience of older people through intergenerational projects and volunteering. In a cross-cutting manner, the programmes also focus on creating opportunities to interconnect different generations and promoting a social image of this population that is free from stereotypes.



Active Ageing.

Pedagogical research and teaching awards

The awards, as mechanisms for publicly recognising milestones reached, contribute to making the efforts and achievements of a wide variety of professionals in their fields of knowledge visible. Afundación aware of its impact as a means for promoting research, organises competitions that reward pedagogical research and teaching excellence.

In 2021 the new competition promoted by Afundación, the **Afundación International Research Prize**, was presented at the 17th Spanish and 9th Ibero-American Congress on Pedagogy and the World Education Research Association (WERA) Focal Meeting 2021. Endowed with €12,000 and held biannually, its purpose is to recognise the career of people who stand out for their contributions to research in education at any of its levels, dimensions or modalities. Applications can be submitted until 28 February 2023.

In 2021 the educational platform EDUCA and ABANCA awarded the 4th EDUCA ABANCA Prizes to the best teachers in Spain in 2020 (fourth edition), as a tribute to teachers in a very complicated year marked by the COVID-19 pandemic.

In December 2021 the winners of the fifth edition were announced, whose prizes will be awarded in a gala in 2022. As a novelty, two additional categories were established:

Non-Formal Education and Honourable mention for teaching career, added to Nursery School, Primary Education, Secondary Education/Baccalaureate, Vocational Training and University Education.

The awards were launched in 2017 with the aim of improving the visibility of good teaching practices in society and give voice to the students and their families when recognising teachers who stand out for their excellence.

IV Premios EDUCA ABANCA.



Through SOCIAL IMPETUS

103-2, 103-3, 203-2, 413-1

Aware of the new context created by the pandemic, at Afundación we continued working on our social welfare proposals, thus reinforcing the social impulse line initiated in 2020.

Our volunteering programme was consolidated as one of the basic cross-cutting pillars of ABANCA's Social Welfare Project. More than 700 volunteers, employees of ABANCA and Afundación and from other entities participated in the different initiatives launched, with more than 5,000 hours dedicated to integrated, continuous and collaborative actions in the environmental, social and educational areas, with a decisive contribution from each institution and person.

This social commitment was materialised in the implementation of novel proposals, such as «Culture for Food», which appeals to solidarity through the donation of non-perishable products intended for local food banks, as a way of participating in Afundación's activities. We also continued with programmes of deep social significance such as «Cubertos», an initiative launched in 2020 and which continued in 2021. Thanks to this initiative, Afundación distributed healthy menus among students of vulnerable families during the months when school canteens were closed. With a focus also on children,

«Drawing Smiles» programme encouraged everyone to donate toys at Christmas.

In the context of the «+60, We Accompany You» programme, two intergenerational accompaniment proposals were implemented, which encourage outings in the open air, either walking or as passengers on electric bicycles, driven by Afundación volunteers.



» Vocational training centres also used this **social impulse** to drive their innovative projects.



«Cubertos»

The objective of «Cubertos», which has already celebrated its fourth edition, is to provide support to families in situations of social vulnerability, guaranteeing healthy nutrition for girls and boys during the school holidays, when canteen grant programmes are interrupted. It is an initiative that also promotes healthy habits and which has been recognised by CECA at national level with the award in the Social Welfare category.

The programme, implemented by Afundación and ABANCA for the second consecutive year, awarded, in its **summer** and **Christmas** editions, 48,000 menus to vulnerable families at risk of poverty or social exclusion in the seven main Galician cities. The menus follow the recommendations of the NAOS Strategy of the Spanish Agency for Food Safety and Nutrition (AESAN) and meet the specific needs of the participating boys and girls with intolerances, allergies or other peculiarities.

In collaboration with the local authorities and social entities Juan Soñador, Cáritas and Movilidad Humana, in this programme the work of the 100 members of ABANCA's Social Welfare Project team and the 104 volunteers of both ABANCA and Afundación, who ensure the proper functioning thereof is essential, preparing the distribution, delivering the menus and attending to the families.

48,000

menus to vulnerable families at risk of poverty or social exclusion in the seven main Galician cities.



Summer.



Christmas.



The gratifying exchange of «Culture for Food»

In September 2021, ABANCA's Social Welfare Project launched this ambitious programme in which the cultural events carried out at the Bank's centres and also in those spaces where Afundación's activities are carried out, encourage solidarity, in this case in collaboration with local food banks through FESBAL (Spanish Federation of Food Banks). ABANCA's Social Welfare Project encourages people who participate in any of the activities programmed by the Entity to donate a non-perishable product, which they can deposit in the containers enable for such purpose at head offices, theatres and auditoriums. As a result of the actions carried out in autumn 2021, Afundación collected more than a tonne of food in donations for FESBAL thanks to this project, which will continue in 2022.

The first solidarity action in the context of this programme was the exhibition «[This is pop. From Andy Warhol's cans to yours](#)», held at Afundación's Vigo Head Office, which not only featured Warhol's works as the main attraction, but also contributions of prestigious artists such as Lichtenstein, Damien Hirst, Murakami, Jeff Koons and Okuda, inter alia.

«Jazz armchair», «Sacrifice and ascension. Fifteen years of David Rubín's comics», «Galicia just around the corner», Italian Film Cycle, the literary gathering with Fernando Aramburu, the entry of Christmas in Naturnova for the general public or the exhibition of the 56th nativity scene competition were, together with the commemoration of dates such as Book, Environment or Infancy Day, the events that took place in the context of «Culture for Food».



This is pop. From Andy Warhol's cans to yours.



«Drawing Smiles»

Another of ABANCA and Afundación's solidarity initiatives focused on infancy is, under the «Hope grows when shared», the traditional «Drawing Smiles» campaign, a commitment to people in situations of greater vulnerability. Both entities second the common objective of the authorities and social initiative entities to mobilise civic solidarity and of companies which, in this case, is materialised in the distribution of toys and food in collaboration with Cáritas, Red Cross and FESBAL for boys and girls from nine municipalities in Galicia, León, Asturias and Extremadura.





Together, in «+60, we accompany you»

In March 2021, Afundación implemented a new accompaniment programme for senior citizens aimed at consolidating relational proposals that help to mitigate the isolation derived from COVID-19. Designed on the basis of a pilot experience carried out since January among 700 members of Afundación's espazos +60, the first action was the «Go out and walk and talk», programme in which the participants form small groups to take short walks and hold conversations in the open air, accompanied by the team members of Afundación's active ageing area, which is in charge of dynamising the activity.

Another related initiative is «Pedal and talk», developed under the international movement «Cycling Without Age», founded in Denmark. It is an accompaniment programme for older people with reduced mobility through open-air volunteering. Through rides on specially adapted electric tricycles, this programme is understood by

ABANCA's Social Welfare Project as a new way of feeling and claiming the participation of older people in physical spaces in the city, characterised by sustainability and generosity, where the creation of new relationships between volunteers and older people constitutes one of its essences. A project in which intergenerational barriers are broken to share stories between, up to that moment, strangers. In 2021, after carrying out the pilot experience in A Coruña, ABANCA's Social Welfare Project initiated its implementation in Galician cities.

This initiative also includes emotional telephone accompaniment, aimed at people with mobility difficulties or with greater relational needs.



Pedal and talk.



This initiative.

Dialogue on the future of ageing

In October, Santiago de Compostela held the «Dialogue on the future of ageing», promoted by La Moncloa, the European Commission, the European Parliament, the Municipal Council of Santiago de Compostela, Afundación, the Galician Economic Forum and the Universidade de Santiago de Compostela. The event, held in ABANCA's Social Welfare Centre, was aimed at stimulating plural, informed and constructive conversations on the opportunities and challenges facing Spain and the EU in the post-COVID world, in addition to gather proposals to include them both in the National Long-Term Strategy, prepared by the Government, and the Conference on the Future of Europe.

The participants reflected on the pensions of the future, the changes that must be made in our labour market to retain the older-aged working population and the need to change the approach in order to address demographic ageing. The promotion of active ageing and the improved intergenerational cohesion of our society were other main points discussed at the event.





Loneliness, ageism and the value of life story in old age

The «Emotions and solitudes», cycle, in collaboration with Matia Instituto and emitted by Afundación TV, encompassed different informative activities for all types of audiences related to the emotional well-being of older people and the social image linked to old age. The first of them was the conference and colloquium «(Re)cognising solitudes», in which the experts Mayte Sancho, Sara Marsillas and Daniel Prieto discussed the phenomenon of loneliness and its different facets among people who age, the stereotypes and the stigma associated with old age and loneliness, the importance of the cultural legacy in the perception of this or the way of preventing and supporting older people who feel lonely.

The conference and colloquium of the expert Elena del Barrio, «Debunking stereotypes about age and ageing» addressed ageism, i.e. the prejudice marked by stereotypes, feelings and discriminatory treatment towards people on the grounds of age and which, according to the World Health Organisation (WHO), is the third cause of discrimination in the world after racism and sexism.

On the occasion of the International Day of Older People, on 1 October, the conference given by the Doctor in Gerontological Psychology Teresa Martínez «When time passes. The value and power of life story». In her conference she highlighted how in a few generations we have managed to live longer lives and that now we must address the challenge of achieving, for those years gained, a full and meaningful life experience.

«Music up close»

Another of Afundación's social welfare initiatives throughout the Galician community was «Music up close», a programme created after detecting the specific needs of special education centres. The limitations imposed at school exits and holding events in this setting entailed a reduction in the possibilities of cultural interaction of students with different capabilities, for whom the digital option is not feasible, given the distance marked by the screen.

Thanks to this programme, which featured the collaboration of the Iguarte Foundation and musician and professor Carlos Quintá, the participants were able to enjoy traditional Galician music in a dynamic and participatory manner, at events in which the reactions and interactions of the more than 1,500 students from 33 schools evidenced the power of music in the management of emotions, the decrease in fears and tensions, sensory and perceptive development, the promotion of creativity or the reinforcement of communication.



Music up close.



A «Cultural current» throughout Galicia

We celebrated the fifth anniversary of the «Cultural current» project developed by Afundación and ABANCA with the participation of more than 13,000 attendees who enjoyed exhibitions in multiple municipalities throughout Galicia, as an outstanding global social commitment action.

Collaboration with Galician municipal councils made it possible to put together a top-quality programme, such as the exhibition «A glimpse of yesteryear: Photographs of Ruth Matilda Anderson in Galicia». Also worthy of note are proposals such as «We too were immigrants. Photographs by the EFE Agency on Spanish emigration in the 20th century» or «Múltiple. The art of engraving. From Picasso to Barceló», which includes graphic pieces selected from the funds of Afundación’s Art Collection and allows us to broaden our knowledge of the work of some of the master engravers of 20th century Spanish art, among which three great international geniuses stand out: Salvador Dalí, Pablo Picasso and Joan Miró

In 2021, 25 exhibitions took place in the municipalities of O Carballiño, Xove, Ares, Redondela, Castro de Rei, Vedra, A Rúa, A Pastoriza, Pobra de Trives, Muxía, Sanxenxo, A Pobra do Caramiñal, Burela, Salceda de Caselas, Fene, Maceda, Ponte Caldelas, Ribeira, Verín, A Laracha, Miño, Pontearreas, Muros and Barbadás.



Cultural current.



A glimpse of yesteryear: Photographs of Ruth Matilda Anderson in Galicia.



We too were immigrants. Photographs by the EFE Agency on Spanish emigration in the 20th century.



Múltiple. The art of engraving. From Picasso to Barceló.





Solidarity on the ground

The Emove project, developed by the Afundación A Coruña Vocational Training Centre, was awarded the first prize of the 13th Edition of Training for Entrepreneurship, in the context of the Entrepreneurship Fair of the Inicia Programme of the Municipal Council of A Coruña, in recognition for the work carried out by the students of the centre, supervised by one of the teachers, on the creation of a company that engages in the sale, repair and rental of 100% electric personal mobility vehicles.

Also in the field of education, the Afundación Vigo Home School vocational training centre showed a decisive social commitment by depositing five mobile storage units of clothes at the local Cáritas office, essential for classifying and distributing this material among all the applicant families, taking care, at the same time, of the health of the volunteers in charge of organising the warehouse. First and second year volunteers (subjects of Assembly and Welding), were added to the solidarity initiatives of this institution in recent years: preparation of facial masks, shields or gowns and collaborations with Cáritas' kilo operations.

For 21 years, the Afundación Vigo Home School has been regularly participating in the blood donation campaigns promoted by ADOS (Organ Donation and Blood Donation Agency) An initiative that in 2019 was added to the Afundación A Coruña Vocational Training Centre. In the campaigns carried out by the ADOS mobile units in January and October in both centres, 74 donations were achieved, of which 41 were people who were donating for the first time

Different solidarity actions were also promoted from Afundación's espacios +60. Thus, Afundación's A Coruña's Espazo +60 organised a solidarity shop in favour of the «Let's cure Parkinson's Disease», association, all of whose articles are prepared by volunteer participants in the «Solidarity workshop» carried out throughout the academic year. All types of handcrafted items, from children's clothes to tablecloths, snack bags, embroidered cloth dolls or Camariñas lace, served to raise awareness on the development of recycling habits in an environment of co-existence between creativity, imagination, solidarity and cooperation, in the context of the «The value of experience» of the Active Ageing Area.

The same programme drove the hopes and wishes of the volunteers of Afundación Ferrol's Espazo +60, which raised €2,000 for the Local Economy Kitchen, thanks to the sale of its handcrafted items, in accordance with a volunteering spirit that also fosters the use of the new technologies by the volunteers who disseminated this solidarity market on social media.

Culture for education

In line with the constant innovation that presides its actions, Afundación adapted to the restrictions imposed in the context of COVID-19, programming its visual arts initiatives so they are followed online by students in their classrooms. The Afundación Theatre was the venue for these plays and students were able to enjoy them without leaving their desks via Afundación TV. These live broadcasts also included sign language with the collaboration of the Galician Federation of Deaf People and the Galician Association of Deaf Children's Nations and Nations of Galicia (ANPANXOGA) and accompanied by a subsequent colloquium in which students were able to pass on their queries or curiosities to actors, actresses, scriptwriters and other participants in the activity. The plays were also broadcast, thanks to Afundación TV, to hospital rooms, as in the case of the Hospital Clínico Universitario Virgen de la Arrixaca. *As Fabas máxicas, Nautilus, Los tres osos, El ritmo de los tiempos, The final game, Weird Stuff, Frankenstein, Treme o Misterio* were the titles programmed throughout the year

With the same objective of fostering education in values, «Outros camiños», was programmed via Afundación TV, a documentary on self-improvement, produced by Rubén Riós and aimed at students which invited the participants to

an emotional journey of 500 kilometres along the Silver Way (Vía de la Plata) of St James Way. Days of learning, smiles, hugs and tears in which four people with cerebral palsy guided the rest of the group through this emblematic journey towards Santiago de Compostela.

In 2021 a new edition was developed of the cycle of conferences «Education in the 21st century», a reference framework for all the people who make up the educational community. In this regard, in addition to having several prestigious speakers who address innovative pedagogical matters, Afundación also wanted to focus on the importance of an education in which the ethical values are the cornerstone. To this end, the Entity considers that one of the priority matters is the dissemination and awareness of the need to foster respect from infancy and youth, valuing the importance of emotional health for this process of co-existence.

The proposals of this edition addressed, always in streaming format through Afundación TV, bullying, emotional health, mindfulness for families, emotional challenges in school due to COVID-19, the challenges of adolescent eating habits and the value of education for a more equitable society.

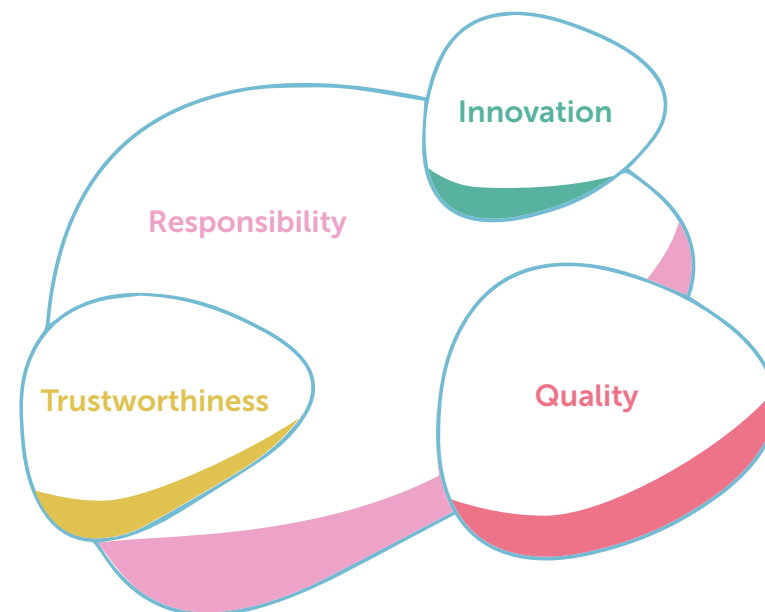




Awareness of **GOOD GOVERNANCE**

102-28, 103-2, 103-3

All our professional, corporate and social actions are supported by the corporate values of responsibility, quality, reliability and innovation. These four principles mark our corporate culture and the individual conduct of each of ABANCA's professionals.



POLICIES

102-16, 102-25, 103-2,
103-3, 205-1, 205-2

ABANCA's activity is based on mandatory policies, rules and procedures aimed at ensuring responsible behaviours throughout our sphere of action.



ABANCA's Code of Ethics and Conduct,

implicitly entails a commitment to human rights. In this connection, Article 88 thereof relates to organisation, association and collective bargaining rights, in addition to the individual or collective activities carried out by the Workplace Trade Union Branch in accordance with the legally attributed functions. Article 81 rejects and penalises any type of discrimination on the grounds of gender, race, origin, condition, religion, ideology, policy, civil status or any other circumstance of a personal or social nature.



Anti-corruption policy, sets out the specific anti-corruption procedures to fulfil our obligations and supplement the current legislation (prevention of money laundering and terrorist financing, anti-fraud rules, RIC, etc.).



Commitment to Human Rights, is the public declaration of ABANCA's responsibility to fulfil the highest standards of respect and protection for human rights. Our commitment is based on the principal international declarations on human rights, namely: the guiding principles on companies and human rights, the Ten Principles of the United Nations Global Compact, the Sustainable Development Goals (SDGs) and the principles concerning the fundamental rights established in the declaration of the International Labour Organisation.



Communication policy, ensures the quality of the economic and financial information, and that it is adequately disseminated and known, facilitating its disclosure to the market, investors and other stakeholders.



Sustainability policy, aims to set out the Entity's strategy, basic action principles and commitments in this connection, asses their strategic impact and promote initiatives designed to address the challenges posed by climate change from the environmental, social and governance viewpoint.



Responsible investment and incorporation of sustainability risks policy, sets out the strategy and basic voluntary and aspirational action principles in this connection, with the aim of obtaining return on investment consistent with its customers' objectives, while seeking to maximise social well-being. To this end, they are included in financial metrics and social, environmental and governance aspects (SEG).



Energy and environmental policy, provides a common reference framework to establish objectives and carry out actions, based on ABANCA's commitment to efficiently consume energy, reduce its greenhouse gas emissions and establish appropriate environmental mechanisms.

SERVICE quality

103-2, 103-3, 416-1, 417-1

Quality is one of the corporate values that underpins the future progress of the Entity. At ABANCA, quality is a shared responsibility which is supported by three basic pillars:



1

Promote the use of Quality Management Systems.



2

Excellence in management and focus on results.



3

Detect our customers' needs and **improve** their satisfactions.

» ABANCA has a **Quality Policy**, that that reflects our commitment to continuous improvement and the promotion of best practices in management systems, commitment to service excellence.



Quality Policy.



Quality certifications and seals

In 2021, ABANCA continued to advance in its commitment to the certification of quality management systems as a means for organising our commercial and management processes and the customer experience, which serves as a lever for excellence in the service provided.



The AENOR Certification in «**Excellence in Business Banking Services**», in force since March 2018, accredits our efforts to ensure the continuous improvement of our processes and services in order to offer our customers the best experience in a strategic and growing segment.



Our **commercial systematics**, which represents a successful transformation model, ranks among the leading banks with AENOR Certification in Excellence in Personal Banking Services, in force since December 2016.



Means of payment (credit cards) and individual and corporate electronic banking **and individual mobile banking** have become the services most highly acknowledged and valued by customers. Since 1996, their quality management system is certified according to the UNE-EN ISO 9001:2015 standard.



In December 2014 we became the first Spanish and European entity to certify the quality of a financial product (**24-hour loan**) according to the UNE 93200:2008 standard for Customer Service Charters.



24-hour loan.



Only two banks in the world, and only ABANCA in Europe, have the highest quality rating in technology **level 5 of ICMM** (Integrated Capability and Maturity Model).

Customer Service Charters

ABANCA stands out for being the first and only Spanish and European financial entity to make an effort to guarantee the transparency and quality of its products through Customer Service Charters.

These documents, which are delivered to customers when contracting products and services, explain the Bank's specific commitments to quality, obligations and rights, the agreed-upon compensation measures and suggestion and listening channels at their disposal clearly and in writing.

The Customer Service Charters include quantifiable objectives and indicators associated with the commitments whose measurement and degree of fulfilment is verified and publicly disclosed.



24-hour loan

- ▶ Customer Service Charters.
- ▶ Commitment compliance panel.



Mortgage Maricarmen

- ▶ Customer Service Charters.
- ▶ Commitment compliance panel.



Internal quality metrics

Measuring internal satisfaction in the execution of internal services and processes helps us to align the interests of all the participants in the different phases thereof.

SQI (ICS)

Service Quality Index

The **Service Quality** is created on the basis of the scores obtained in five dimensions, assessing the operation of the support processes, swiftness of response, absence of errors, tools and security, inter alia.

Based on our SQI, we established an internal quality rating that marks the optimum level for

each internal service so that it contributes to offering the final customer the best solution and response to their needs.

In 2021, 84% of the assessed services exceeded the established optimum internal quality level.

CES

Customer Effort Score

The **Customer Effort Score** (CES) assess the perception of the effort required to obtain a service or solve a problem, in the manner of a barometer that measures from the perception

of the internal customer to the streamlining of processes, the adoption of new technologies and tools, or the greater autonomy to make decisions.

55
services assessed in 2021.

Average of
760
monthly surveys.

Nearly
5,000
participating employees.



EVALUATION OF IMPACT AND RISK implicit in product development

To this end, ABANCA has a Product Governance Committee presided by the CEO and whose Secretary is the Director of Individual Banking, whose proposal is to ensure and drive the adequate development of the business in individual segments, both mass and specialist, in addition to guaranteeing the achievement of a balance between the fulfilment of the objectives and the improvements in customer satisfaction.

The functions of said committee are as follows:

- To approve the launch of new products and services aimed at new or existing customers, evaluating to this end the business case, regulatory suitability and risks.
- To monitor the new products or services launched, in addition to market changes that could affect products in the distribution phase.
- Additionally, the Committee's activity is reported to the Board of Directors on a quarterly basis, which is ratified by the Board of Directors.



» Therefore, in accordance with the foregoing, **governance in decision-making in relation to the products is fully guaranteed**, since it is assured that they are designed to meet customers' needs and are managed responsibly.

CUSTOMER experience

102-43, 102-44, 103-2,
103-3, 416-1

The pandemic has implied a change in trend in consumer habits and their demands, obliging banks to take a step forward to meet their expectations, in addition to accelerating the digital transformation process in the banking relationship. Whenever we come across a more demanding, empowered customer with different preferences in their relationship with the Bank, combining all the interaction channels within their reach, which is a major challenge, not only in terms of coordination and centralisation of information but also in the homogenisation of ABANCA's experience regardless of the chosen contact channel.

In 2021 the main focus of the Customer Experience Department has been the measurement of all the customer interactions in each of the Bank's channels, guaranteeing the aforementioned coordination and homogeneity to generate positive perceptions based on a unique ABANCA style. In this regard, we are committed to omnichannelling and consistency in processes, in addition to new projects to continue to put the customer first.

We have also strived to minimise potential contrary impacts on customers as a result of the advanced digitalisation model encompassing the entire banking sector. To this end, we continue working so that customers perceive that we are near them in all the channels, showing proximity and

creating an ABANCA Style that will help us to differentiate ourselves from the competition and offer an optimal experience.

It is very important that we continue to nurture our contacts with our customers regardless of the channel in order to generate positive emotions and provide them with a satisfactory experience. Because ABANCA's proximity does not imply physical presence but rather availability, accompaniment in the transition to digitalisation and being with our customers where and when they need us.

Our customers now demand excellence not only in the products we offer them, but also in the processes, channels, personalised attention, agile response, interactions, etc. This entails a change in customers' consumer trends and habits which is accompanied by the appearance of new demands, which gives rise to the appearance of new ways of measuring and working to continuously improve the processes in each interaction with ABANCA.

+ 70,000
customers shared their
experience with others.





Consolidation of the omnichannel mystery shopper

On the one hand, with the digital mystery we have focused on measuring the experience of customers and non-customers in remote channels, complementing the face-to-face mystery and taking into account that digital relationships with the Bank never stop growing. This new indicator has allowed us to learn and update our analysis model while providing us with more periodic digital measurement options through a continuous mystery that gives us information on customers' actual experience with us. Thanks to the key mystery metrics, which are the WOW Experience (Indicator that measures the sensations felt by the customer or potential customer during the experience), ATC compliance (Indicator that measures the compliance of the protocols, adequacy, offering, close and monitoring) and ABANCA ROADMAP (Indicator that measures the fulfilment of the 10 key facts), we know if there is coordination between the channels and whether or not the process is agile, if there is consistency between the messages transmitted from the different channels and if we focus on personalisation for each customer and show concern for their needs.



Improvements in our customer voice tool ABANCA Escucha Delta (ABANCA Delta Listens)

The launch of the new version of ABANCA Escucha Delta has represented a step forward to continue measuring what our customers think about us on a daily basis. The incorporation of more filters for more information, a new exclusive Insurance balanced scorecard, a more user-friendly and visual interface, greater ease for closing alerts, shorter connection and report download times, and greater precision and detail in actions plans are some of the improvements made to this version of the tool, which is increasingly incorporated in Central Services. Also, throughout the year we have listened in on calls and satisfaction surveys made by the Contact Centre and ABANCA Conecta to analyse them and establish protocols common to all the services, in order to achieve more homogeneous and higher quality calls.



New service and process testing model

Thanks the FOCUSES we carry out with commercial network professionals, we have tested new products in order to have a 180° vision of what the customers needs, what they demand and what they expect from the new offering. In addition to testing forthcoming launches as we did this year with our car insurance, house insurance or health insurance policies, we also analyse existing products to detect areas of improvement, know the impact of our brand and obtain information related to the customer experience generated. This, together with traditional feedback from surveys, tests with end customers in the ABANCA Colabora Community and real-time feedback from digital mini-surveys allows us to put the customer at the centre of the portfolio and analyse the efficiency of ad hoc solutions..

RESPONSIBLE purchasing

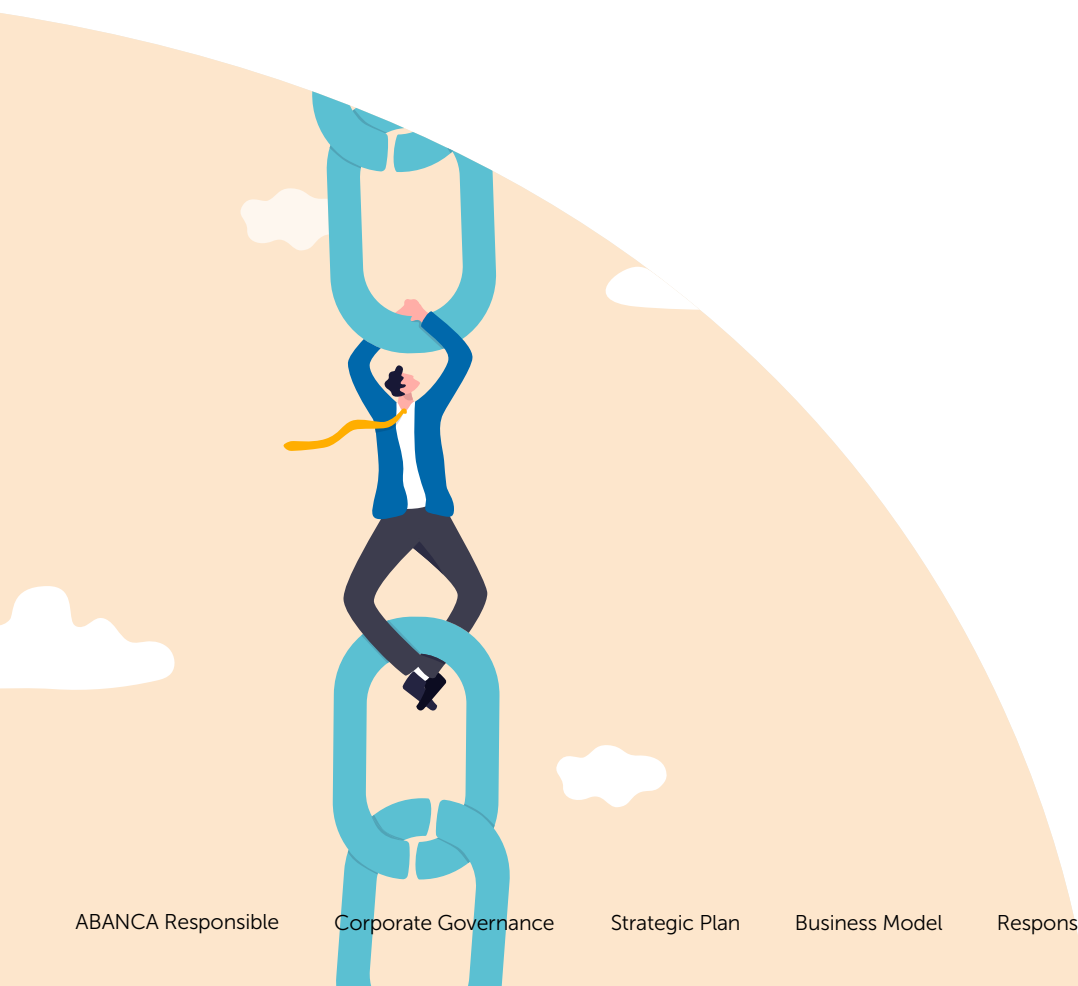
102-9, 103-2, 103-3,
204-1, 412-1

The function of Procura, integrated in the D.G. Finance through the D.G. Efficiency and Procura, is governed by the Procura standard, which was updated in March 2021 and details the procurement procedures that involve payments to suppliers and is mandatory for the entire organisation. Some significant aspects of the standard are:

- **Centralisation of functions** in a single specialised area.
- **Relationship with the supplier** based on continuity criteria and mutual interest.
- **Information about suppliers,** approval and assessment which is kept updated and fully traceable, guaranteed by the centralisation of the process and the use of purchasing platform.
- **Purchasing teams** specialised by service category.
- **Identification and establishment of adequate measures for mitigating inherent risks** in addition to complying with legal and regulatory requirements.



» The **ment framework** between the ABANCA Group's companies and their suppliers are governed by the principles of ethics, transparency and regulatory compliance.





Number of suppliers

1,988



Total billings (millions of euro)

€201.22



Percentage of service billings under €50,000

80.70 %



Percentage of approved suppliers

100 %

* Supplier data correspond to individuals and legal persons engaged by the Procura area for ABANCA and its investees, not including supplies, leases or intra-Group billings..



» In 2021 the risk assessment procedures in procurement process reached a high degree of maturity and are recognised by the whole organisation, given the increasing importance of the technological, confidentiality and continuity risks.

Furthermore, the Bank's Outsourcing Policy was reviewed in accordance with the EBA/GL/2019/02 guide, which establishes the operating rules applicable to outsourcing of activities. The new version of the guide was approved at the meeting of the Board of Directors held in November 2021.

Approval and responsible behaviour of suppliers

102-9, 103-1, 103-2, 204-1, 308-1, 308-2, 412-1, 414-1, 414-2

ABANCA, through the Procura area, maintains an updated supplier record on the purchasing platform. The supplier's suitability for providing services or supplying goods to the ABANCA Group is comprehensively addressed in the approval process. This approval is regularly reviewed.

Upon registration, suppliers must provide the necessary documentation for assessing the different aspects considered in the approval process including, namely:



Anti-money laundering/terrorist financing.



Tax, legal and financial aspects.



Labour relations, workplace safety and hygiene.



Existence of third-party contracting procedures.



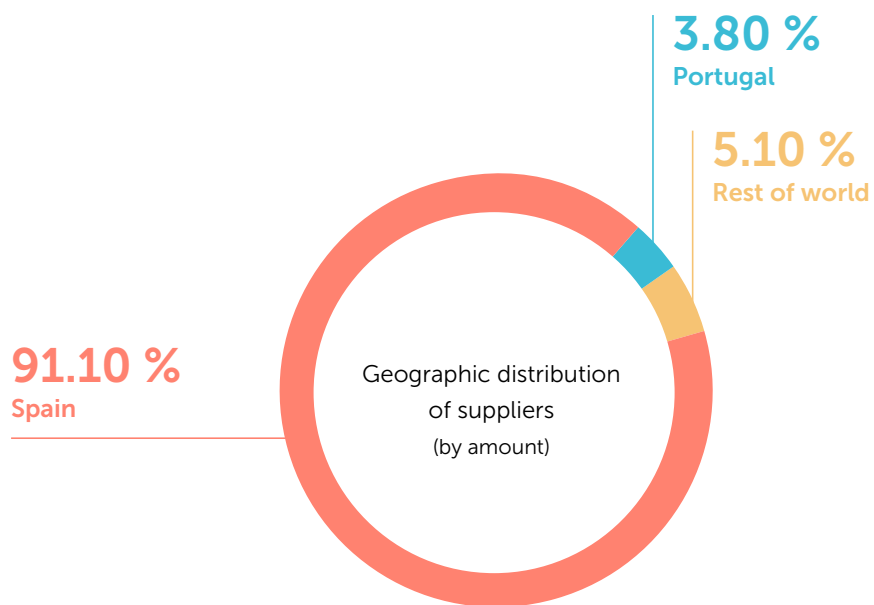
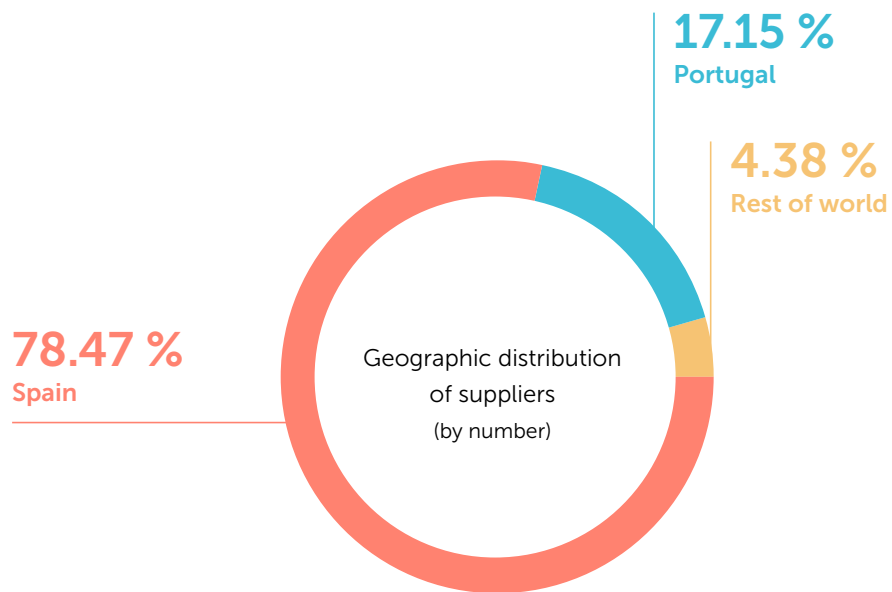
Corporate Social Responsibility, sustainability and adherence to ABANCA's policies.



Existing commercial relationships as customers.



Experience and certifications.



Suppliers are required to acquire commitments and adopt behaviours consistent with those of ABANCA, with practices which are also based on ethics and transparency, legal compliance and the declaration of their commitment of adherence to the good practices and principles established by ABANCA in its Anti-Corruption Policy and in its Code of Ethics and Conduct for suppliers, which guarantees compliance with the Principles of the Global Compact. These include:



- 1 Prohibiting forced labour and mistreatment of employees.
- 2 Guaranteeing the absence of child labour.
- 3 Prohibiting any type of harassment or abuse.
- 4 Prohibiting any type of discrimination in the workplace.
- 5 Respecting freedom of association and the right to collective bargaining.
- 6 Guaranteeing a decent salary in accordance with the established agreements.
- 7 Providing employees with a safe and stable work environment.



ABANCA requires that its suppliers clearly **commit to fulfil environmental policies**. In 2021 a new approval form was implemented which includes a larger number of questions related to sustainability for supplier evaluation.



All of ABANCA's suppliers shall undertake to act transparently and honestly in all its relationships with ABANCA and other customers, avoiding any practice that may be considered corruption and bribery.



» ABANCA has a whistle-blowing channel through which the ABANCA Group's suppliers can report any breach of the Code of Ethics and Conduct, as well as any supposedly criminal or fraudulent or irregular act of which they become aware within the ABANCA Group.

Evaluation and selection of suppliers	2020	2021
Number of suppliers evaluated and selected in relation to environmental impacts	217	402
Number of suppliers with negative, significant, potential and real environmental impacts	0	0
Number of suppliers evaluated in relation to social impacts	217	402
Number of suppliers with negative, significant, potential and real social impacts	0	0
Percentage of new suppliers that were evaluated in accordance with environmental and social criteria	100 %	100 %
Percentage of suppliers evaluated in relation to human rights and labour standards		100 %



Billing to foreign suppliers (€)	2019	2020	2021	
	Amount	Amount	Amount	%
Germany	€24,281.98	€670,661.95	€661,689.38	3.69 %
Australia			€4,592.50	0.03 %
Argentina	€8,754.23	€3,841.20		
Belgium	€566,847.66	€550,515.02	€816,887.04	4.55 %
Canada		€27,830.00		
United States	€1,620,864.20	€1,994,002.11	€2,306,248.76	12.85 %
France	€3,369,183.25	€2,861,436.83	€2,326,639.92	12.96 %
Ireland	€105,235.16	€696,966.34	€618,286.17	3.44 %
Italy	€398.00	€596,568.37	€797,335.84	4.44 %
Luxembourg	€7,269.43	€121,929.40	€456,364.51	2.54 %
Mexico	€299,998.80	€393,664.22	€1,431,868.63	7.98 %
Netherlands	€2,117.50	€12,167.16	€20,094.08	0.11 %
Panama		€6,942.16		
Portugal	€451,135.83	€11,595,903.17	€7,621,795.52	42.46 %
United Kingdom	€2,010,677.26	€609,630.91	€804,666.60	4.48 %
Czech Republic		€2,570.22	906.29	0.01 %
Romania		€37,026.00	34,969.00	0.19 %
Singapur			1,900.00	0.01 %
Sweden	€18,150.00	€18,150.00	18,150.00	0.10 %
Switzerland		€22,595.60	26,388.04	0.15 %
Venezuela		€29,479.27		
Others		€845,559.82		
TOTAL	€8,484,913.30	€21,097,439.75	€17,948,782.28	100 %

Whistle-blowing channel

102-17, 103-2

The whistle-blowing channel is a mechanism that ABANCA implemented in 2016 and which allows the employees of the different ABANCA Group companies and suppliers and their employees related to ABANCA to report possible risks or breaches arising from actions or behaviours that contravene the law or the principles or internal regulations included in the Entity's codes of conduct or in any of its internal regulations or protocols.



>> Access to the channel is available on the Intranet

and, in those cases where the reporting person does not have access to the Intranet or does not want to use the whistle-blowing channel, they have an email at their disposal to which they can send the report.

The main objectives pursued are as follows:

1

To establish an effective measure for the **prevention and detection of illegal or irregular conduct**.

2

To implement **measures for controlling** the Company's activity.

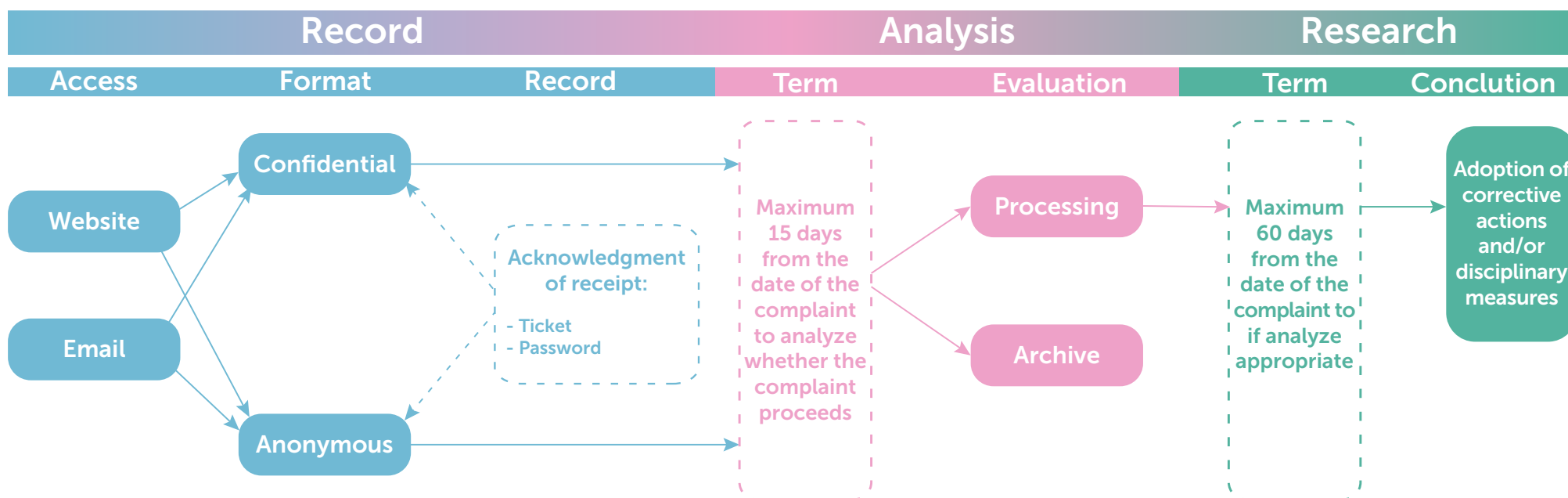
3

To contribute to the **continuous improvement of ABANCA's internal processes and policies** to manage and control illegal or irregular conduct that may occur therein.



In order to guarantee that the whistle-blowing channel works effectively and ensure the proper execution, revision, supervision and update thereof, control bodies have been established to provide adequate support.

Procedure diagram





Guarantees of the procedure:

- **Confidentiality** of the reporting person's identity and protection against reprisals.
- **Report ticket - safeguard:** the reporting persons, both whether the report is formulated confidentially or anonymously, will receive a registration ticket (report number and password) that will allow them to know the status of their report.
- **Personal data will be processed** in strict compliance with the provisions of the European Personal Data Protection Regulation (2016/679), Spanish data protection regulations and other related applicable provisions.
- **Exhaustive analysis of the facts** reported to ensure the truthfulness of the potential breach.
- **Presumption of innocence** and respect for the rights of the persons presumably involved.
- **Rigour in the actions** carried out as a result of the report received that must be grounded and justified.
- **Good faith:** anyone who reports a breach must do so according to an unwaivable principle of good faith, with sufficient reasons and objective proof that demonstrates the existence of the breach.



Customer Support Service

102-44, 103-2, 103-3, 416-1

Protection of financial customers is essential for preserving trust and promoting the stability of the financial system.

Customer protection is a basic objective of the Banco de España. Through the Bank Behaviour Department, the Bank of Spain supervises bank behaviour and information transparency, in addition to the operation of Customer Support Service.

Banks are obliged to have a Customer Support Service (CSS), which is aimed at processing and addressing their customers' complaints and claims.

CSSs carry out a relevant important control function in the detection of sources of customer dissatisfaction. Said function must be incorporated in the framework of the "three lines of defence" as a second "line of defence", i.e. forming part of the group of units in charge of guaranteeing adequate risk control, prudent business behaviour, compliance with laws, regulations and requirements of the Bank's supervisors, policies and internal procedures.

CSSs assess the actions of the commercial areas and operating procedures in relation to customers in the event of claims or complaints.

Additionally, they continuously analyse complaint and claim management information with the aim of identifying and addressing recurring or systemic problems and possible legal, operational and behavioural risk.

Therefore, CSSs are a mechanism for alerting of problems arising from the marketing of products or services and/or the bank-customer relationship, allowing the Entity to adopt the necessary measures to solve said problems or preventing them from appearing.



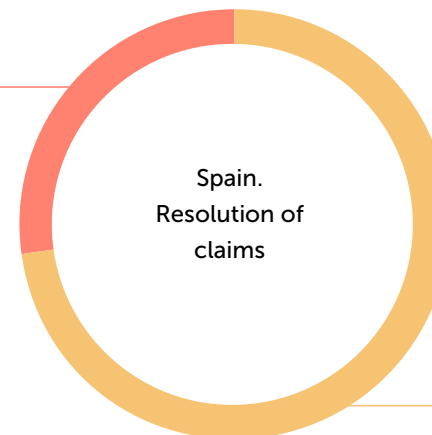
Spain-Claims by typology (%)

	2019	2020	2021
Active transactions	26.4 %	15.9 %	24.1 %
Passive transactions	35.8 %	62.9 %	44.1 %
Other banking products	22.6 %	15.0 %	21.4 %
Collection and payment service	2.2 %	0.8 %	1.2 %
Investment services	0.7 %	0.3 %	0.3 %
Sundry insurance and pensions	6.1 %	1.9 %	2.8 %
Various	6.1 %	3.2 %	6.0 %

Portugal-Claims by typology (%)

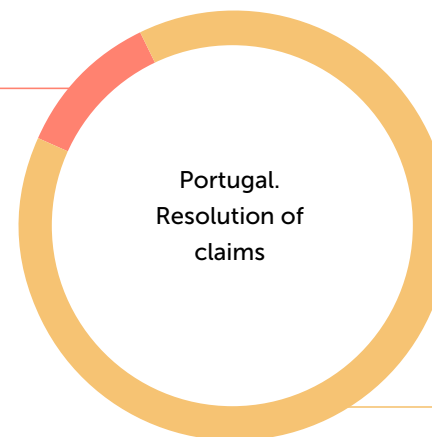
	2020	2021
Active transactions	14.0 %	15.0 %
Passive transactions	24.0 %	23.0 %
Other banking products	5.0 %	3.0 %
Collection and payment service	9.0 %	12.0 %
Investment services	29.0 %	14.0 %
Sundry insurance and pensions	7.0 %	6.0 %
Various	12.0 %	27.0 %

27 %
In the costumer's
favour (%)



73 %
In the Bank's favour (%)

11 %
In the costumer's
favour (%)



89 %
In the Bank's favour (%)

Complaints in first instance (38,271 in Spain and 192 in Portugal), from which 36,302 had been admitted for processing in Spain and 192 in Portugal.

CYBER SECURITY

103-3

Information security and cyber security is the origin and basis of the ABANCA Group's good governance and is ultimately aimed at preserving the organisation's information, the assets that support it, operations and protect its interests and strategic objectives.

ABANCA considers that digital risk is inherent to its business and that its management is essential to achieving its objectives and successfully executing its strategies. ABANCA's strategic security and cyber security programme and plan, renewed in 2021, is the cornerstone of the management of digital risks, prevention and awareness, the execution and operation of protection, monitoring and, naturally, evolution accompanying the strategy and good governance in the organisation.

The main focal point of the cyber security strategy is information protection and the organisation's reputation, maintaining proprietary and third-party operations, and to be increasingly capable of anticipating and responding to incidents. In addition to recovery by means of coverage through specific insurance policies.

Data privacy and protection play a highly relevant role in corporate governance and in guaranteeing the basic rights of ABANCA's customers and employees. Information security and cyber security is a basic lever for guaranteeing the objectives in this regard, due to which the collaboration between both functions is harmonious and constant, incorporated in the same direction and with a management and governance model supported on the structure of the policies and committees inherent to both functions.

>> Data protection:

+ 800 analysed initiatives.

29 external consultations to the Data Protection Officer attended.

1,953 exercises of rights executed.



In 2021 the training and sensitisation models were expanded to include high-level training in privacy to the Entity's governing bodies and senior managers.

The strategic cyber security plan was concluded with such relevant initiatives as the incorporation of cutting-edge technology in the orchestration of cyber security alerts, deployments of cloud-based control models, advanced system protection and special attention to network and telework security accompanying the corporate strategies during the COVID-19 pandemic.

We have deployed advanced governance models, implementation and monitoring of security in the software life cycle (S-SDLC) and secure development and operational capabilities in hybrid and cloud environments (DevSecOps) to address the challenges of increasingly complex technology.

The protection of the operation, maintaining high early warning and response capabilities are key to sustaining business processes and attending the services, especially digital, that support them. For this reason, security and cyber security have had particular relevance in the planning in 2021, aligned with standards and good practices such as the NIST frameworks and MITRE approach, inter alia.

The incorporation of internal ratings for comparable measurement in the sector and industry have made it possible to offer a cross-cutting and executive vision for monitoring purposes in the governing bodies. Furthermore, these externally applied ratings make it possible to improve third-party risk management within the supply chain by extending Vendor Risk Management capacity.

» Lastly, **there has been active public/private collaboration, coordination with bodies and agencies such as INCIDE, CCN-CER and others,** leading forums and work and early warning groups that enhance preventive and response capabilities and governance, promoting an environment of trust in the sector and in our customers and, therefore, in society.



Pillars of the mortgage debtor protection policy

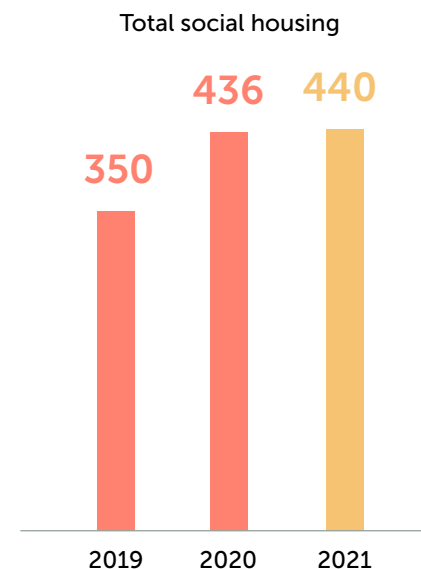


CGP, Code of Good Practices.
CSSRV, Committee for Situations of Social and Reputational Vulnerability.
RSF, Social Housing Fund.

Since 2016, ABANCA has a Singular Housing Management unit through which communication is centralised and the transversal management of all action proposals in response to possible new regulations, or needs, for protecting mortgage debtors is guaranteed, ensuring the proper resolution of situations of particular social vulnerability. All the proposals are derived to peaceful settlements and social housing schemes. Launches are never made when the mortgage foreclosure process affects the principal residence of persons in socially vulnerable situations.

The mortgage debtor protection policy is structured around three main lines of action: the Code of Best Practices (CBP), the Committee for Situations of Social and Reputational Vulnerability (CSSRV) and the Social Housing Fund (SHF).

Code of Good Practices	2019	2020	2021
Transactions requested	143	69	79
Transactions performed	21	13	12
Viable restructuring	11	12	8
Debt relief	2	0	1
Dation in payment	8	1	3
Rejected transactions	45	21	18
Non compliance with requirer	45	21	18
Other causes	0	0	0



Comprehensive risk

management



103-2, 103-3, 207-2. The quality of risk management, for the ABANCA Group, constitutes a priority line of action. The risk policy of the Group is aimed at maintaining a medium-low profile for the whole of its risks, with its risk model being a key factor for achieving its strategic objectives.

The organisational model to control and manage the Group's risks follows the directives of the Basil Committee on Banking Supervision (BCBS), establishing an umbrella of risk management that encompasses the entire organisation that is broken down into three differentiated lines of defence:



1

First line of defence: functions of management and control realised by the Group's units, understood as business units and the credit unit¹. These units are responsible for management and monitoring, always in compliance with the Entity's risk strategy, established through risk policies and regulations, with the aim of adjusting the appetite to the risk and to the authorised risk limits. Therefore, the primary activity controls are found on this first line.



2

Second line of defence: it encompasses the control functions carried out independently and according to a comprehensive risk management, through the General Office of Corporate and Risk Control and the General Office of Corporate Governance and Legal Affairs, including all the types of risks of the Bank. From this line the policies and regulations are proposed to the Governing Bodies for their approval, subsequent implementation and transfer to the first line of defence for application in management. Therefore, policies and regulations are established in accordance with the Entity's risk strategy and always adapting to the continuous regulatory requirements. Once implemented, compliance therewith is monitored by controlling the management of the first line of defence, recurringly informing the governing bodies of their monitoring and proposing, in case of deviation, the appropriate corrective measures to comply with that previously defined. This line ensures the effective control of the risks and ensures that they are managed in line with the strategy defined under the approved risk appetite level, in order to obtain the target risk profile.



3

Third line of defence: functions of supervision realised through internal auditing. In its role as last control layer, it is in charge of periodically evaluating the the policies, methods and procedures are appropriate, verifying the effective implementation thereof. From this line, the activity of both the first line (monitoring compliance with the policies, regulations and procedures defined by the second line) and the second line (ensuring regulatory compliance and the proper implementation of the decisions made by the Entity's governing bodies). Therefore, internal auditing is responsible for guaranteeing that the policies, methods and procedures are adequate, effectively implemented and are regularly reviewed.

¹ In the sphere of ESG risks, the Social Responsibility and Sustainability area form part of the Bank's first line of defence.

With this model, the Group seeks to orient the Entity toward the best banking practices, encouraging a culture of risk in the entire organisation, carrying out the comprehensive management of risks (credit, market, liquidity, interest, operational, security and continuity...), which guarantees the solvency and resilience of the Entity given the risk profile defined by government agencies.

The Group's risk culture is based on the principles of the Group's risk management model detailed above and is transmitted to all of the organisation's business and management units, supported, inter alia, by the aspects defined below:

- **The comprehensive risk management unit is independent from the credit unit and from the business units which are, in turn, independent of each other.** This independence in its action plans guarantees not only independence in decision-making, but also allows its criteria and opinions to be taken into account in the different instances in which the businesses are carried on, interacting directly with the governing bodies through the Integrated Risk Committee.
- **Involvement of the governing bodies and senior management in the decision-making process.** The structure of the delegation of powers of the Bank requires a large number of transactions to be submitted for validation by the Bank's centralised risk committees (Central Committee and Delegate Credit Committee). The frequent nature of the meetings of these risk monitoring and sanctioning bodies makes it possible to guarantee agility in the resolution of proposals while ensuring, at the same time, the intensive participation of senior management in the daily management of the Entity's different risks.
- **Active management of its entire risk life,** from pre-analysis, through analysis/concession, tracking, and through to the extinction of these. The primary risks are not only analysed at the time they originate or when irregular situations arise in the ordinary recovery process, but this is done continuously for each and every customer.
- **Collegiate decisions that ensure the contrast of opinions.** The absence of personal powers requires all decisions to be resolved by collegiate bodies (decisions made unanimously), which entail greater rigour and transparency in decision-making.
- **Decentralisation of decision-making in accordance with the available implementation, training and tools.** A conservative criterion is applied in the admission of loans and receivables, seeking a reasonable balance between efficiency and effectiveness by decentralising decision-making, based on the delegation of powers and the assignment of duties in accordance with the risk assumed, and supported by the implemented management and control tools that allow this process to be controlled at all times.
- **Clear processes and procedures,** periodically reviewed in accordance with the needs at any given time and with clearly defined responsibilities implemented at each level. The Bank has action manuals and policies for risk management, which constitute the basic regulatory framework through which the risk-related activities and processes are regulated.

- **Definition of duties.** Each of the risk acceptance and management units have clearly defined types of activities, segments and risks they may incur and the risk-related decisions they can make, based on their delegated powers or under the risk framework (limits) established in the policy manuals.
- **Limit plan.** The Bank has a risk limit system that is updated at minimum every year and deals with credit risk, as well as the different exposures of market risk, both from negotiation and liquidity, and structural exposures. Credit risk management is also supported by credit management programmes, such as scoring models (individuals, autonomous and micro-SMEs), rating systems (exposures with medium-sized and large enterprises) and pre-classifications (large customers). There are also limits for operational risks.
- **Generation, implementation and dissemination of advanced** analysis and decision support tools that, with effective use of technology, facilitate customer management and its risks. Specifically, we can refer to construction, independent validation and approval of the risk models developed in accordance with corporate

methodological guidelines. These tools make it possible to systematise the risk origination, monitoring and recovery processes, the calculation of expected loss and capital required, and the measurement of the held-for-trading portfolio.

- **Monitoring.** The information and exposure aggregation systems that are available to the Bank allow it to track the exposures, verifying systematic compliance with the approved limits, as well as adopting, when necessary, the pertinent corrective measures. Also, the Bank has symptomatic and systematic transacting monitoring systems that enable anticipation, in addition to establishing action plans. Periodically, there is systematic tracking of the status of the Bank's main portfolios.



Additionally, worth noting is the existence of a series of procedures that support the transmission of the risk culture, for example, the risk appetite framework, the training activity, the remuneration and incentives policy, strict compliance by employees of the general codes of conduct and a systematic action independent from the internal auditing services.

These principles are aligned with the Group's strategy and business model and take into account the recommendations of the supervisory bodies, regulators and market best practices.

To guarantee adequate control of risk, within the General Office of Corporate Control and Risks is the comprehensive risk management department, which is responsible for defining policies and procedures for risk management based on the determined objective risk profile; it continuously reviews the policies to adjust them to legislation and the bank's strategy.

Likewise, within this general office is an internal validation and risk data control unit, whose function is framed by guaranteeing the quality of the different risk measurements and assessments, together with the establishment of measures to guarantee the quality of risk information. The Group continues to make progress in the evolution of IRB models, with this being one of its strategic lines.

The Group has an advanced level of maturity in the management of profitability adapted to risk, using the RAROC methodology in the origination of operations and the monitoring of the profitability-risk binomial, and it continues to evolve toward the use of Capital Allocation strategies, to guide strategic decisions. It therefore has a reinforced framework of control (over solvency) that prevents it from incurring risks not aligned with the Group's risk profile, applying the methodology of disaggregated data control charts and identification of strengths.

Thus, the Group has implemented a comprehensive risk management system, in which the definition and control of risk appetite is one of the key elements, with it being absolutely necessary to guarantee compliance with the desired risk profile and to be coherent and consistent with the approved annual budget, in the medium-term strategic plan, as well as in the day-to-day risk management.

The Group defines risk appetite as the quantity and types of risk that is considered reasonable to assume in the execution of a business strategy, such that it can maintain its ordinary activity given the occurrence of unexpected events. To do this, drastic scenarios are considered that could have a negative impact on its capital, liquidity and/or profitability levels.

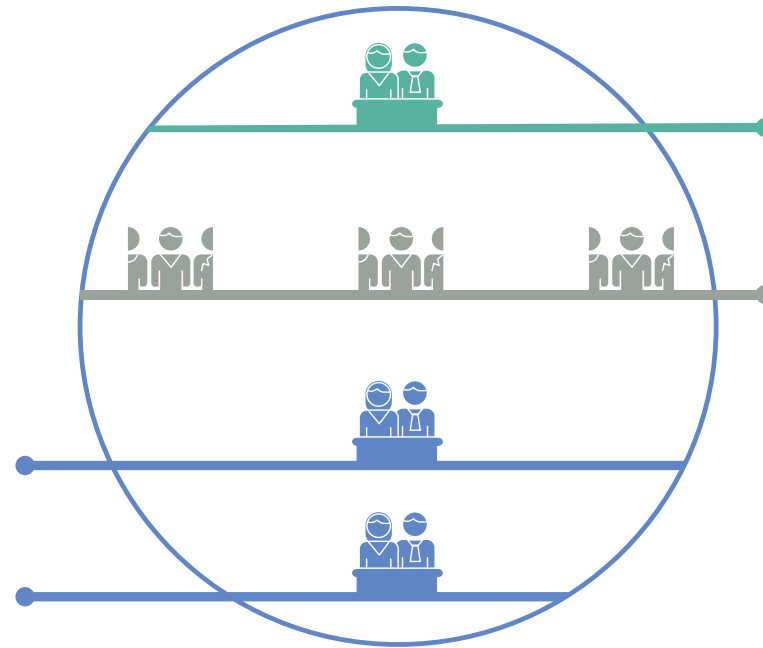
The Entity actively manages its entire risk life cycle: pre-analysis, analysis/concession, tracking and up to its extinction. The primary risks are not only analysed at the time they originate or when irregular situations arise in the ordinary recovery process, but this is done continuously.

Credit risk management is also supported with credit management tools, such as scoring models (individuals, autonomous and micro-SMBEs), rating systems (exposures with medium and large enterprises) and pre-classifications (large customers).

The information and exposure aggregation systems that are available to the Bank allow it to track the exposures, verifying systematic compliance with the approved limits, as well as adopting, when necessary, the pertinent corrective measures. Periodically, there is systematic tracking of the status of the bank's main portfolios, which is regularly presented to the Board of Directors.

The bank has a risk limit system that is updated at minimum every year and deals with credit risk, as well as the different exposures of market risk, both from negotiation and liquidity, and structural exposures, over which exhaustive control is carried out, elevated to the highest governing bodies in the bank.

DEPARTMENTS responsible for the elaboration and management of risk



The **Executive Committee** is the committee responsible for proposing and tracking the entity's strategic plan, annual global budget, and annual operating plan. It also approves the entity's annual general objectives and their distribution through lines of business, responsibility centres and segments; and it makes decisions related to the corporate world or the day-to-day tracking of the Entity.

The **Assets and Liabilities Committee (ALCO)** is the body responsible for designing the financial strategy, including, among others, capital adequacy policies, rate setting, funding strategy, and investment strategy and policies, ensuring their compliance. It also defines the operational objectives in terms of financial management (of balance, liquidity and margin), in order to comply with strategic objectives. It is responsible for the proper implementation of asset and liability management strategies, following up on commercial policy.

The **Board of Directors** has been entrusted with the function of establishing the Entity's general risk policy, authorising the system of established control limits, and periodically tracking compliance with the same, as well as determining the framework for risk appetite.

The **Comprehensive Risk Commission** evaluates the management and control of risks to guarantee the content, integrity and efficacy of risk appetite framework, advising the Board as to the risks. To do this, it conducts a periodic review of the Group's risk profile and is responsible for global risk control. Furthermore, it ensures that the Group's actions are consistent with the level of risk tolerance for the same, establishing global limits on the main risk exposures, conducting a review and taking the necessary actions in the event of deviations.

The **Audit and Compliance Commission** has, among its functions, that of supervising the efficacy of internal control and risk management systems.

The **Delegate Credit Commission** has been delegated authorities that correspond to the Board of Directors regarding the concession and tracking of financing operations.

The **Nomination and Sustainability Committee**, which has additional functions relative to: periodically evaluating and reviewing the Company's sustainability strategy with the aim of fulfilling its mission of promoting social interest taking into account, where applicable, the legitimate interests of the other stakeholders. Also, ensuring that the Company's sustainability practices adapt to the established strategy and policies.

Risk tolerance LEVEL

102-15

As an essential element of risk management, the bank has defined a risk appetite framework (RAF) through which the governing bodies for the Group specifically define the desired and maximum risk levels (appetite and tolerance) that they are willing to assume, based on the entity's strategic plan.

This exercise was done, both at the level of global risk and for each of the relevant risks to which the Group is exposed in the development of its activity. The highest-level representatives for the Entity and its governing bodies are involved in its RAF determination. The Comprehensive Risk Management Unit, within the General Office of Corporate Control and Risks, is responsible for defining and proposing the RAF for approval by the bank's governing bodies, and based on the strategy the latter have defined. Once the RAF is defined, follow-up and control reports are made in this unit as often as required by the governing bodies.

Specifically, the document is approved by the Board of Directors, with prior approval from the Comprehensive Risk Commission. In addition, the members of the Executive Committee have a very active participation in the conceptualisation and establishment of appetite, based on the strategic planning defined for the Bank.



» **The definition of appetite and tolerance** is made by selecting from a set of indicators, qualitative and quantitative, after calibrating the desired (appetite) and maximum (tolerance) levels.



In defining the RAF, all risks relevant risks to which the Group is exposed in the development of its activity, as well as in the achievement of its business objectives, have been considered. Therefore, the criteria established in the RAF will be taken into account at all times within the normal circuits for analysis and approval of operations. Specifically, the primary risks of the activity to be monitored are:



Solvency risk. This is the probability of suffering losses due to failure to follow capital solvency coefficients and this could put the Entity's future viability at risk.



Business risk. The risk that the entity will experience a substantial reduction in gains due to adverse business decisions or those not complying with the execution of the entity's strategy.



Credit risk. This is defined as the probability that the Entity will suffer losses due to non-compliance with obligations on the part of the counterparty. This risk also includes concentration risk, either sectoral or individual.



Liquidity risk. This is an entity's capacity to finance its growth and fulfil its payment obligations on time, without suffering unacceptable losses.



Market risk. This is the risk of suffering losses and, therefore, the risk of a negative impact on the Group's profits and capital, by keeping positions open in the financial markets as a consequence of an adverse movement of financial variables that determine market value, or realising those positions, either as an investor or because of negotiation portfolios. Within Market risk also falls the interest rate risk in the banking book (IRRBB), with this being understood as the risk of suffering losses in terms of intermediary margin and economic value of owned resources, given adverse movements in market interest rates.



Non-financial risk:

- > **Operational:** this is the risk of losses resulting from deficiencies or failures in internal processes, human resources, or systems, or even derived from external circumstances, including legal risk.
- > **ICT risk:** this is the risk of loss due to a breach of confidentiality, a failure in the integrity of systems or data, inappropriate or lack of availability of systems or data, or an inability to change the ICT with a reasonable time and cost given the environment or requirements of the business.
- > **Reputational risk:** this is linked to the perception that different stakeholders have of the Group that it relates to, both internal and external, in the development of its activity, and that could have an adverse impact on the results or expectations for developing the business. It also includes Climate risk as the risk of the Entity not assessing, analysing, preventing, or mitigating the negative impacts of its decisions and activities in the environment, with a special focus on climate change.
- > **Behavioural risk:** this is the current or future risk that the Entity could suffer from losses arising from inadequate provision of financial services, even in intentional or negligent cases (internal fraud is included).

For the assessment of each of these types of risks, ABANCA uses regulatory or internal methodologies defined based on the guidelines and recommendations established by the regulatory agency, as well as best market practices. The monitoring of these risks is done monthly, following the defined methodology and being verified as falling within the established risk profile.

ABANCA's global risk framework covers the framework of policies, standards and procedures aimed at risk control and tracking. Different controls are established within these, aimed at mitigating the risks and obtaining the risk level desired by the Entity.

Along this line, the entity follows a dynamic model where the control mechanisms are reference, reviewing them at least annually, and seeking continuous improvement for the different processes and procedures established.

Environmental Social and Governance (ESG) RISKS

As declared in the ABANCA Sustainability Policy, the entity considers the Environmental, Social and Governance (ESG) aspects key in the processes of risk analysis and in taking decisions on our ordinary activity.

As regards the ESG, it should be highlighted in that in fiscal year 2020, the environmental and climate risk management policy was defined and established as part of the credit risk policies manual. This policy has the goal of understanding, measuring, limiting and mitigating the impact of climate change and the potential toxic effects on the environment deriving from the activity of granting credit to customers.

The Entity is being gradually incorporating the evaluation of ESG risks in the credit admission processes. To this end, the Entity defined an action plan in 2021 that will be taken as a roadmap with the aim of understanding, measuring and adequately managing these risks, following the guidelines of the European Central Bank on climate and environmental risks in relation to supervisory expectations relative to the management and reporting of risks such as that of the Banco de España at national level.

In this regard, considering that some sectors where it operates could have a significant social and environmental impact, and within the framework of a decision-making process that is ethical, responsible and committed, the Entity considers it essential to identify, understand, measure, assess and manage the environmental and climate risk associated with these exposures.



To this end, in a first phase of understanding of the climate and environmental risks and their impact, ABANCA has carried out the identification -based on external analyses- of those sectors which are more intensive in carbon dioxide emissions into the atmosphere, to whose customers it applies a more stringent admission circuit. The sectors identified and based on which ABANCA rates, from September 2020, the operations from a climate perspective are as follows:

- Air transport;
- Non-metallic mineral products;
- Supply of electricity, gas, steam and air conditioning;
- Maritime transport;
- Road transport.

For said sectors, ABANCA analyses, from an operating and customer perspective, the climate and environmental variable based on a questionnaire aimed at identifying physical and temporary risks. The result shows a low, medium or high risk classification. In this last case, the expert judgement of sustainability analysts is also required to decide on the transaction.

Additionally, in order to classify transactions of a more significant amount, the transactions sanctioned by the Delegate Credit Committee include, for information purposes, the customer's "susceptibility to ESG risk affectation" rating, which is currently determined by the applicant's National Classification of Economic Activities (CNAE).

In parallel, the Entity is developing: on the one hand, the adaptation of a product catalogue based on the criteria of the environmental Taxonomy Regulation of the European Union (Regulation 2020/852) as it is defined and, on the other, electronic ESG labels that will initially be used to mark the financing of renewable electricity production facilities, provided that the production of renewable origin accounts, at least, for 85 % of its total annual generation. Subsequently, the scope of these labels will be extended to other types of transactions that are aligned with the European Union's Taxonomy.



In this regard, worth noting is the creation of an internal and operational ESG work group made up of representatives from the different units, that internally provides support for entering information in the Bank's systems required for incorporating ESG criteria, support for transitioning from the product catalogue adequate to Taxonomy criteria and training in sustainability, among other functions. The duties of this work group will evolve with the aim of incorporating the ESG risks in the Entity's global management, adapting to the general lines established by the strategy at all times.

Furthermore, ABANCA, with the aim of implementing the Responsible and Sustainable Banking Plan, has created a sustainability project steering committee, which is responsible for monitoring the main actions relative to the adaptation of the requirements and expectations of the regulatory and supervisory framework in relation to sustainability, disclosure and ESG risks in particular.

As next steps, ABANCA is already working, as part of the Bank's strategic planning (ICAAP, RAF), on the segmentation of the portfolio according to its exposure to climate risk, which will be performed based on benchmark standards such as those recommended by the TCFD.

ABANCA currently considers climate and environmental risk as a dimension of

reputational risk. However, given the growing importance of environmental and climate risks, and their potential impact and materialisation, ABANCA is working on redefining the approach to these risks and elevating them to high-level risks and their declination as risk factors of traditional risks, in accordance with the aforementioned guidelines of the European Central Bank and with the EBA's document on ESG risk management and monitoring (ESG report on ESG risk management and monitoring).

Thus, based on the foregoing and taking the knowledge acquired from the identification of climate and environmental risks and portfolio segmentation based on exposure as a basis, ESG risk will be assessed from the standpoint of the different types of risk to determine its impact on each, and the ESG risk itself as an individual dimension, to subsequently and progressively include it in the appetite framework and risk management balanced scorecards.

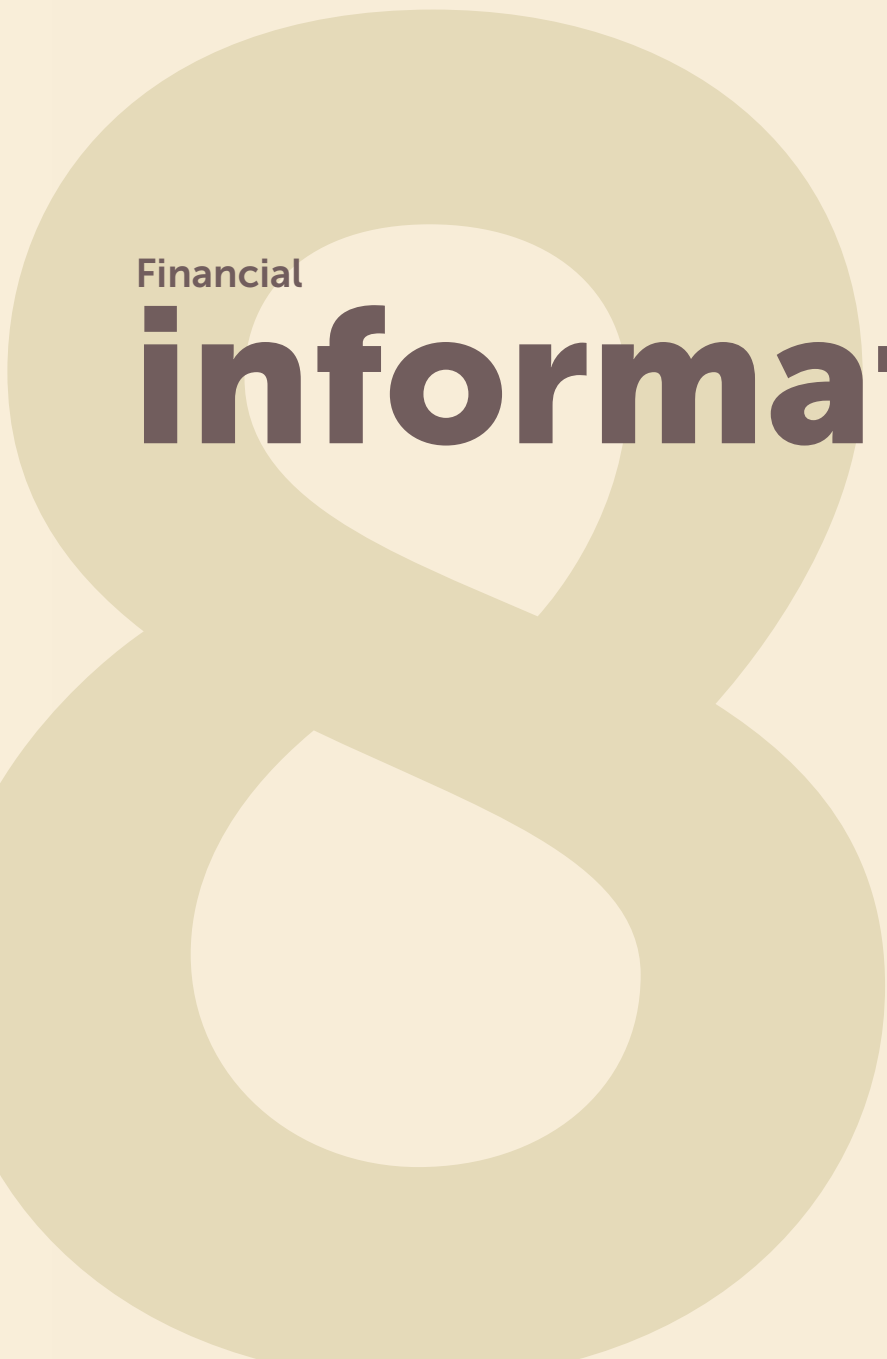
However, it should be noted that ABANCA has a highly diversified asset portfolio, more focused on retail, which affords it exhaustive knowledge of its customers and makes it easier to engage with them to help them during the transition process, thereby contributing to mitigate the impact of these risks.

Lastly, in relation to emerging risks, worth noting is the focus on monitoring and

management of technological risk, with special focus on cyber security (ICT risk), and the management of the COVID health crisis, with anticipation in said management in order to meet our customers' needs, thereby minimising the impact of the health crisis by adequately managing the credit risk of the portfolio (credit risk).

To date, this impact has not manifested as deterioration in the credit profile of our portfolios, due in large part due [sic] to the extraordinary measures taken to face the economic and social impact generated by this Government situation, both solutions for liquidity (through loans with ICO (Official Credit Institute) backing) and temporary suspension on the repayment of debt (mortgage and non-mortgage moratoriums), and specifically for the more vulnerable sectors, such as tourism and transportation.

Financial
information



PROFITABILITY

323.3 M€

Attributable profit.

+6.2 %

Basic margin.

☑ 241 M€

Recurrent margin.

- The increase of recurring revenues, the control of expenses and the controlled cost of risk contributed to the profit increase.
- Revenues from products and banking services increased by 6.2 %.
- Corporate transactions contribute to the growth of the recurring margin, which improves by 33.1 % and reaches 241 million euros.

RISK QUALITY

28.7 %

Texas ratio.

2.1 % 85.3 %

NPL ratio.

Non-performing loans coverage.

>95 %

of the moratoria have already expired.

☑ No significant impact on NPL ratio.

- Among the most well-off banks of the sector, as evidenced by its Texas ratio (28.7 %) and coverage of non-performing loans (85.3 %).
- Very low delinquency in households and enterprises that have almost used up the financial support measures.

SOLVENCY AND LIQUIDITY

16.9 %

Total capital ratio.

1,527 M€

Excess of total capital.

+17.0 %

Deposits of customers

- Total capital ratio of 16.9 % far exceeding regulatory requirements.
- 1,527 million excess of total capital on regulatory requirements.

VALUE CUSTOMERS

>108,000 M€

Business volume.

>2,400 M€

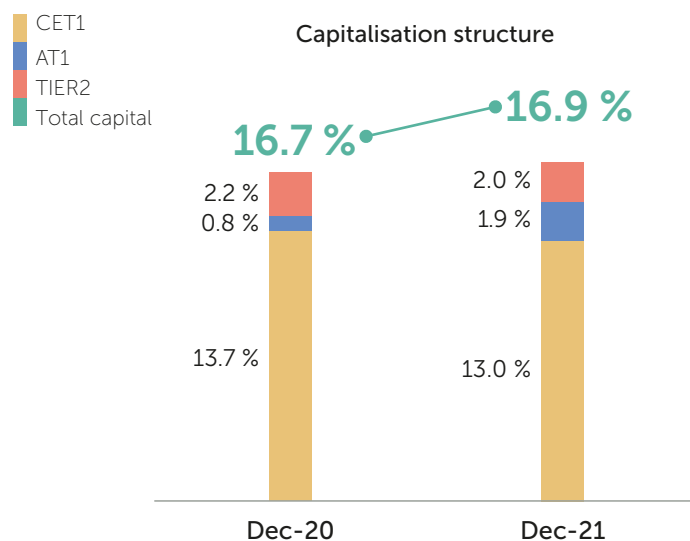
Credit granted to SMEs and self-employees over the year.

x3

Net subscriptions to investment funds treble those of 2019.

- ABANCA increases its business volume to exceed 108,000 million, which represents a year-on-year growth of 18.8 %.
- Business formalisations with SMEs and the self-employed recover pre-pandemic level and exceed 2,400 million euros.
- The launch of sustainable investment funds and Discretionary Portfolio Management allow the volume of subscriptions to be multiplied by 3 compared to 2019.
- Success in executing the incorporation of Bankoia and Novo Banco España.

The capital ratio stood at 16.9 % with €1,527 million in total excess capital above regulatory requirements.



504 b.p.
EXCEEDING CET1
CAPITAL REQUIREMENTS

468 b.p.
EXCEEDING TOTAL
CAPITAL REQUIREMENTS

1,645 M€
EXCEEDING CET1
CAPITAL REQUIREMENTS

1,527 M€
EXCEEDING TOTAL
CAPITAL REQUIREMENTS

MREL ratio
18.5 %



Broadly meeting the MREL requirements set for 2022 (17.27* %).



Wide buffer on the established requirements thanks to an even more diversified capital structure.

* Including the capital allocated to cover the Combined Buffer Requirement (2.5% TREA).

INCOME STATEMENT

102-7, 103-3

Attributed profit amounted to €323 million, maintaining strong recurring revenue growth.

(million euros)	Dec-21	Var. Dec-21 /Dec-20
NET INTEREST INCOME	674.1	4.9 %
Revenues from services provided	257.5	10.0 %
BASIC MARGIN	931.7	6.2 %
Dividends and share of profit or loss of equity-accounted investees	4.1	-
Gain or loss on financial assets and liabilities (net)	118.3	-50.2 %
Others (net)	-1.7	-57.8 %
GROSS MARGIN	1,052.3	-4.7 %
Operating expenses	691.0	-0.8 %
PRE-PROVISION MARGIN	361.3	-11.4 %
Provisions and impairments	137.6	-29.5 %
Credits allocations	138.8	-49.2 %
One-off recoveries and others	-1.1	-98.6 %
Others	146.7	-
PBT	370.4	90.8 %
Tax and other	47.1	38.2 %
ATTRIBUTABLE PROFIT	323.3	-101.9 %

Basic margin grows **6.2 %** thanks to the good performance of net interest income and revenues from services provided.

Pre-provision profit **+ 25.3 %** with the same trading gains vs. 2020.

Prudence in risk management, **85.3 %** coverage ratio

ABANCA obtains **323 million profit** and puts its **profitability (ROTE)** at **7.8 %**.

/ Taking into account the natures of some items registered as "Impairment of non-financial assets", they have been classified in "Provisions and impairments".
/ The impact of the acquisitions of Bankoia and Novo Banco España have been recorded in the item "Others", net of implementation costs.

ECONOMIC value generated, distributed and retained

103-3, 201-1

The goal of ABANCA to contribute to the development of its surroundings translates into the commitment to achieve this from its two main financial and social elements. The **economic value** generated by ABANCA in 2021 reached €1,453.29 million, 9.3 % over the 2020 amount.

For its part, the **economic value distributed** was €714.95 million. If we include the amount channelled through Afundación ABANCA's Social Work, the **total economic value distributed** was €722.45 million.

The **economic value retained** has been €730.83 million, 9.5 % more than in 2020, which has been allocated to the entity's capital.

Economic value generated, distributed and retained (201-1)

(thousands of euro)	2019	2020	2021
Gross margin	910,836	1,103,950	1,052,316
Income from removing assets not classified as non-current assets held for sale	43,492	582	-53
Goodwill	231,679	0	205,892
Allowance to provisions	35,384	219,700	186,721
Income from non-current assets held for sale	-50,309	5,655	8,411
Economic value generated	1,171,082	1,329,887	1,453,287
Suppliers - general administrative expenses (except fees)	195,661	194,005	216,106
Employees - personnel expenses	356,564	379,296	375,655
Public Admin. - income tax + and fees for general admin. expenses. ⁽¹⁾	35,692	45,050	44,156
Shareholders - dividends	189,067	27,765	71,567
Community (without foundation)	7,427	6,473	7,470
Economic value distributed	784,411	652,589	714,954
Foundation	10,100	10,100	7,500
Total economic value distributed	794,511	662,689	722,454
Economic value retained	376,571	667,198	730,833

¹ Shows the amount of income tax on the consolidated public statement. Does not include indirect taxes (VAT, Equity Transfer/Documented Legal Acts Tax) or Social Security contributions, shown under the headings of general administrative expenses and personnel expenses.

TAX commitment

103-2, 103-3, 207-1, 207-2,
207-3

ABANCA's fiscal strategy is aligned with the values that make up the entity's corporate culture and the fiscal risk profile, under which the Group has traditionally been characterised for managing compliance with its tax obligations, all of this in conformance with strategic principles used to develop ABANCA's fiscal policy published on the company's website, and which can be summarised in the following points:



» Responsible payment of taxes.



» Compliance with regulations.



» Fiscal transparency.



» Loyal collaboration with the
Tax Administration.



» Establishment of control
mechanisms.



ABANCA's fiscal policy.

In 2021, worth noting is the transaction performed under the tax neutrality regime established in Title VII, Chapter VII, of Law 27/2014, of 27 November, on Corporate Income Tax (Special regime for mergers, spin-offs, contributions of assets, share exchanges and changes of registered office for a European Company or European Cooperative, from one European Union Member State to another):

» Merger by absorption of the company BANKOA,

S.A. (absorbed company), formalised in the public deed authorised 2 November 2021 by the Notary Mr. Francisco M. Ordóñez Armán, under no. 2,891 of his protocol and registered in the Register of Companies of A Coruña on 12 November 2021. As a consequence of this operation, ABANCA CORPORACIÓN BANCARIA, S.A. acquired the equity, both assets and liability, of BANKOA, S.A., en bloc, which was then dissolved and extinguished without liquidation.

Country by country (thousands of euro) (207-4)

	Income from sales to third parties	Income from intra-Group transactions with other tax jurisdictions	Gross Margin	Pre-tax Income Tax	Tangible assets other than cash and cash equivalents	Corporate income tax accrued on profits or losses	No. of Employees
Spain	1,300,661	2,629	963,816	352,518	1,134,309	31,921	5,609
Portugal	99,660	20	75,702	14,704	84,279	1,979	561
Other	14,395	681	12,798	3,168	1,827	350	52

The scope of this information also includes, in addition to ABANCA Corporación Bancaria, S.A., information relating to its financial and non-financial investees.

appendices



MAIN metrics

Employees

Total No. of employees and distribution by gender (102-7, 405-1)

	2019	2020	2021
No. employees (102-7)	5,788	5,648	5,979
Distribution by gender (%)			
- Women	50.3 %	51.0 %	50.9 %
- Men	49.7 %	49.0 %	49.1 %

Despite the situation with COVID-19, ABANCA has not used any ERTE (Temporary Labour Force Adjustment Scheme)

Geographic distribution abroad (405-1)

	2019	2020	2021
Germany	1	1	1
Brazil	4	4	2
United States	13	13	15
France	2	1	1
England	3	2	2
Mexico	14	17	16
Panama	2	2	2
Portugal	396	388	392
Switzerland	12	14	12
Venezuela	2	1	1
Total	449	443	444

Distribution of employees by nationality

	2021	
	No.	%
Spanish	5,528	92.5 %
Portuguese	397	6.6 %
Other european nationalities	16	0.3 %
Other american nationalities	38	0.6 %

Workforce distribution by location and gender (405-1)

	2019	2020	2021			
			Women	Men	Total	%
Galicia, Asturias and León	4,262	4,202	2,217	1,921	4,138	69.2 %
Rest of Spain	1,077	1,003	610	787	1,397	23.4 %
Abroad	449	443	217	227	444	7.4 %
Total	5,788	5,648	3,044	2,935	5,979	100.0 %

Workforce distribution by category and age (405-1)

	2019	2020	2021			Distrib.
			Distrib.	<30	30-50	
Upper management	0.2 %	0.2 %	0.0 %	30.8 %	69.2 %	0.2 %
Management	1.5 %	1.4 %	0.0 %	56.5 %	43.5 %	1.4 %
Middle management	24.6 %	21.3 %	0.1 %	73.0 %	26.9 %	20.3 %
Skilled workers	73.8 %	77.1 %	8.0 %	67.0 %	25.0 %	78.1 %
Total	100.0 %	100.0 %	6.3 %	68.0 %	25.8 %	100.0 %

	2019	2020	2021
Proportion of senior executives hired from the local community <small>(202-2)</small>	69 %	69 %	69 %

Distribution of new hires by gender and location (401-1)

	2019		2020		2021	
	Women	Men	Women	Men	Women	Men
Galicia, Asturias and León	56 %	44 %	57 %	43 %	53 %	47 %
Rest of Spain	42 %	58 %	51 %	49 %	47 %	53 %
Abroad	29 %	71 %	31 %	69 %	53 %	47 %
Total	51 %	49 %	53 %	47 %	51 %	49 %

Distribution of new hires by age and location (401-1)

	2019			2020			2021		
	<30	30-50	>50	< 30	30-50	> 50	< 30	30-50	> 50
Galicia, Asturias and León	75.9 %	24.1 %	0.0 %	62.4 %	37.1 %	0.5 %	68.9 %	30.6 %	0.5 %
Rest of Spain	54.7 %	39.6 %	5.7 %	48.8 %	46.5 %	4.7 %	75.6 %	23.1 %	1.3 %
Abroad	12.5 %	79.2 %	8.3 %	13.8 %	82.8 %	3.4 %	17.6 %	76.5 %	5.9 %
Total	67.2 %	31.1 %	1.6 %	55.2 %	43.3 %	1.4 %	64.9 %	33.8 %	1.3 %

Average turnover by age and gender (401-1)

	2019	2020	2021		
			Women	Men	Total
Under age 30	31.0 %	21.9 %	38.7 %	31.4 %	35.3 %
Between ages 30 and 50	2.9 %	2.4 %	2.9 %	3.6 %	3.2 %
Over age 50	3.4 %	18.3 %	2.6 %	3.8 %	3.3 %
Total	5.1 %	7.4 %	5.2 %	5.3 %	5.2 %

Average turnover by location and gender (401-1)

	2019	2020	2021		
			Women	Men	Total
Galicia, Asturias and León	4.8 %	6.2 %	5.5 %	5.5 %	5.5 %
Rest of Spain	6.8 %	12.3 %	4.3 %	4.1 %	4.2 %
Abroad	3.8 %	8.6 %	4.6 %	7.9 %	6.3 %
Total	5.1 %	7.4 %	5.2 %	5.3 %	5.2 %

Distribution of employment contract modalities, by professional classification and gender (102-8)

		2019			2020			2021		
		Women	Men	Total	Women	Men	Total	Women	Men	Total
UPPER MANAGEMENT	Total	1	12	13	1	12	13	1	12	13
	Indefinite contract	1	12	13	1	12	13	1	12	13
	Temporary contract	0	0	0	0	0	0	0	0	0
	Part-time	0	0	0	0	0	0	0	0	0
MANAGEMENT	Total	14	70	84	14	66	80	14	71	85
	Indefinite contract	14	70	84	14	66	80	14	71	85
	Temporary contract	0	0	0	0	0	0	0	0	0
	Part-time	0	0	0	0	0	0	0	0	0
MIDDLE MANAGEMENT	Total	450	971	1,421	378	826	1,204	375	839	1,214
	Indefinite contract	450	971	1,421	378	826	1,204	375	839	1,214
	Temporary contract	0	0	0	0	0	0	0	0	0
	Part-time	0	0	0	0	0	0	0	0	0
SKILLED WORKERS	Total	2,445	1,825	4,270	2,487	1,864	4,351	2,654	2,013	4,667
	Indefinite contract	2,251	1,678	3,929	2,277	1,710	3,987	2,495	1,888	4,383
	Temporary contract	194	147	341	210	154	364	159	125	284
	Part-time	0	0	0	0	0	0	0	0	0

No significant variations were produced in the workforce throughout the year, so data are reported exclusively at the close of the fiscal year.

Distribution of employment contract modalities, by age and gender (102-8)

		2019			2020			2021		
		Women	Men	Total	Women	Men	Total	Women	Men	Total
<30 age	Total	240	199	439	236	194	430	199	175	374
	Indefinite contract	91	80	171	92	88	180	86	76	162
	Temporary contract	149	119	268	144	106	250	113	99	212
	Part-time	0	0	0	0	0	0	0	0	0
Between age 30-50	Total	2,193	1,847	4,040	2,162	1,807	3,969	2,235	1,829	4,064
	Indefinite contract	2,149	1,821	3,970	2,097	1,761	3,858	2,190	1,805	3,995
	Temporary contract	44	26	70	65	46	111	45	24	69
	Part-time	0	0	0	0	0	0	0	0	0
>50 age	Total	477	832	1,309	482	767	1,249	610	931	1,541
	Indefinite contract	476	830	1,306	481	765	1,246	609	929	1,538
	Temporary contract	1	2	3	1	2	3	1	2	3
	Part-time	0	0	0	0	0	0	0	0	0

No significant variations were produced in the workforce throughout the year, so data are reported exclusively at the close of the fiscal year.

Distribution of employment contract modalities, by region and gender ⁽¹⁰²⁻⁸⁾

		2019			2020			2021		
		Women	Men	Total	Women	Men	Total	Women	Men	Total
Galicia, Asturias and León	Total	2,252	2,010	4,262	2,260	1,942	4,202	2,217	1,921	4,138
	Indefinite contract	2,086	1,899	3,985	2,084	1,821	3,905	2,090	1,822	3,912
	Temporary contract	166	111	277	176	121	297	127	99	226
	Part-time	0	0	0	0	0	0	0	0	0
Rest of Spain	Total	442	635	1,077	410	593	1,003	610	787	1,397
	Indefinite contract	418	606	1,024	379	566	945	581	762	1,343
	Temporary contract	24	29	53	31	27	58	29	25	54
	Part-time	0	0	0	0	0	0	0	0	0
Abroad	Total	216	233	449	210	233	443	217	227	444
	Indefinite contract	212	226	438	207	227	434	214	226	440
	Temporary contract	4	7	11	3	6	9	3	1	4
	Part-time	0	0	0	0	0	0	0	0	0

No significant variations were produced in the workforce throughout the year, so data are reported exclusively at the close of the fiscal year.

Number of exists by gender, age and professional classification

		2019	2020	2021		
				Women	Men	Total
Upper management	Under age 30	0	0	0	0	0
	Between ages 30 and 50	0	0	0	0	0
	Over age 50	0	0	0	0	0
	Total	0	0	0	0	0
Management	Under age 30	0	0	0	0	0
	Between ages 30 and 50	0	1	0	0	0
	Over age 50	6	1	0	1	1
	Total	6	2	0	1	1
Middle management	Under age 30	0	0	0	0	0
	Between ages 30 and 50	10	8	3	7	10
	Over age 50	16	6	0	1	1
	Total	26	14	3	8	11
Skilled workers	Under age 30	1	1	0	0	0
	Between ages 30 and 50	21	21	10	10	20
	Over age 50	12	14	3	9	12
	Total	34	36	13	19	32

Employees with disability (405-1)

	2019	2020	2021		
			Women	Men	Total
Employees with disability (no.)	76	66	30	36	66
Employees with disability (%)	1.31 %	1.17 %	0.99 %	1.23 %	1.10 %
Percentage of the Spanish workforce		1.17 %	1.06 %	1.33 %	1.19 %

Being 1.19% of the workforce in Spain, to reach the percentage of 2% of the workforce with disabilities established in the General Law on the Rights of Persons with Disabilities and their Social Inclusion, recruitments of this nature are complemented with the adoption of alternative measures, consisting mainly of contracting products and services from special employment centres.

Average remuneration by category

	2019	2020	2021		
			Women	Men	Total
Management	116,613	113,296	100,820	118,291	115,587
Middle management	54,165	56,194	50,901	59,694	56,958
Skilled workers	37,946	38,156	36,478	41,553	38,666

Only the fixed salaries of personnel in Spain and Portugal are taken into account, 95 % of the scope.

Average remuneration by gender and age

	2019	2020	2021		
			Women	Men	Total
Under age 30	20,677	21,403	21,518	21,729	21,617
Between ages 30 and 50	42,318	42,466	38,345	46,608	42,052
Over age 50	52,839	54,660	44,613	57,525	52,355

Only the fixed salaries of personnel in Spain and Portugal are taken into account, 95 % of the scope. Included in the normalised annual base salary (100 % of payroll) are the salary items for collective agreements, functional and personal accessories.

Annual total compensation ratio (102-38)

2021	
Spain	11.69 %
Portugal	7.88 %

The ratio is 11.69 % for ABANCA Spain and 7.88 % for ABANCA Portugal.

Increase percentage ratio for total annual compensation (102-39)

2021	
Spain	-0.63 %
Portugal	0.87 %

The data has been calculated taking into account the average salary increase for the workforce.

(202-1)

	2019	2020	2021
Starting salary ratio compared to local minimum wage	1.3 %	1.2 %	1.2 %
Spain	n.d.	1.2 %	1.2 %
Portugal	n.d.	1.4 %	1.3 %

The starting base salary for any worker on payroll, regardless of their gender, is 1.2 times the local minimum wage. The ratio has been calculated as a weighted average between the result of dividing the base salary established in the ABANCA Corporación Bancaria Collective Agreement by the Interprofessional Minimum Wage established in Spain, and the equivalent ratio in Portugal.

Wage Gap GRI (405-2)

	2021
Spain	-5.7 %
Portugal	-5.6 %

The wage gap is calculated as the difference of the median salaries (fixed and variable compensation) between women and men, expressed as a percentage over the median salary for men, based on a multiple linear regression model that, with identical characteristics, differentiates the wage solely based on gender. The multiple linear regression model explains salary as fixed and variable compensation, based on the gender variable and other relevant factors, (e.g., age, seniority, contract, level of responsibility, company, location, and area). Homogeneous groups of less than 15 people have been excluded, since there is not a sufficient sample to infer statistically robust conclusions.

Average compensation for executives

	2019	2020	2021		
			Women	Men	Total
Compensation to upper management*	375,285	396,385	-	-	401,963
Compensation to board members	266,419	249,566	217,459	261,667	246,661

*For protection of data, as there is only one woman in upper management, this information is not broken down by gender. Fixed, variable and in-kind compensation has been taken into account for the 13 people considered upper-management personnel, to calculate the amount for 2021..

Parental leave (401-3)

	2019	2020	2021		
			Women	Men	Total
Maternal/paternal leave	190	186	93	85	178
Leave taken	100 %	100 %	100 %	100 %	100 %
Reincorporations (No.)	190	186	93	85	178
Return to work rate*	100 %	100 %	100 %	100 %	100 %
Leaves from the previous year that remain in the company for 12 months (No.)	188	186	88	93	181
Retention rate of employees who took parental leave**	98 %	98 %	98 %	97 %	97 %

* Rate of return = total number of employees who returned to work after maternity/paternity leave / total number of employees who must return to work after maternity/paternity leave x 100.

** Retention rate = total number of employees retained for 12 months after returning to work after a period of maternity/paternity leave / total number of employees who return from maternity/paternity leave in the periods considered in the previous reports x 100.

Education and training

	2019	2020	2021
Remote (No.)	168	237	419
In person (No.)	259	82	12
Mixed	7	0	0
Total	434	319	431

LCI (Real Estate Credit Law) Training

	2019	2020	2021
New LCI certification programmes	4	2	1
Participant in LCI certification programmes	2,234	1,481	203
Certified professional (No.)	1,463	3,294	3,721
Professional certified as required (%)	43.05 %	85.12 %	86.40 %

MIFID II training

	2019	2020	2021
New MIFID certification programmes	3	1	3
Participants in MIFID certification programmes	435	14	215
Certified professionals (No.)	2,707	3,044	3,503
Professionals certified as required (%)	94.43 %	93.21 %	95.72 %

Average annual training hours (404-1)

	2019	2020	2021		
			Women	Men	Total
Upper management and management	2,572	2,805	408	1,754	2,162
Middle management	70,493	49,075	13,654	32,398	46,052
Skilled workers	232,578	236,889	168,490	109,822	278,312
Total	305,643	288,769	182,551	143,975	326,526

Total annual training hours (404-1)

	2019	2020	2021		
			Women	Men	Total
Upper management and management	24	29	27	22	23
Middle management	48	39	36	39	38
Skilled workers	51	54	62	54	59
Total	50	51	59	49	54

Employees who have received training on asset-laundering prevention (205-2)

	2019	2020	2021			Total (%)
	Total (%)	Total (%)	Galicia, Asturias and León	Rest of Spain	Abroad	
Upper management	100 %	100 %	12	1	0	100 %
Management	82 %	92 %	65	15	3	95 %
Middle management	72 %	94 %	822	255	116	96 %
Skilled workers	79 %	90 %	3,154	901	301	87 %
Total	77 %	91 %	4,053	1,172	420	89 %

Commitment from employees

	2019	2020	2021
Engagement ratio	85 %	87 %	85 %

Percentage of employees who actively participate based on employee participation 67.30 **65.34**
 91.62 % survey coverage of the workforce at the close of the fiscal year.

Employees who have received a performance evaluation (%) ⁽⁴⁰⁴⁻³⁾

	2019		2020		2021	
	Total	Total	Women	Men	Total	Total
Upper management	100 %	100 %	100 %	100 %	100 %	100 %
Management	95 %	100 %	100 %	100 %	100 %	100 %
Middle management	98 %	99 %	98 %	97 %	98 %	98 %
Skilled workers	92 %	95 %	93 %	93 %	93 %	93 %
Total	93 %	96 %	94 %	94 %	94 %	94 %

Employees under collective agreement by country (%) ⁽¹⁰²⁻⁴¹⁾

	2019	2020	2021
Germany	0 %	0 %	0 %
Brazil	100 %	100 %	100 %
Spain	100 %	100 %	100 %
United States	100 %	100 %	100 %
France	100 %	100 %	100 %
England	0 %	0 %	0 %
Mexico	0 %	0 %	0 %
Panama	0 %	0 %	0 %
Portugal	100 %	100 %	100 %
Switzerland	100 %	100 %	100 %
Venezuela	0 %	0 %	0 %
Total	99.6 %	99.6 %	99.6 %

Absenteesm due to accidents

	2020			2021		
	Women	Men	Total	Women	Men	Total
No. of accidents with work release excluding during travel	7	2	9	5	1	6

The types of accidents occurred in 2021 were: falls at the same or from different levels, injuries from objects (mobile or fixed), entrapment by or between objects, over-exertion, stumbling and robbery.

(403-10)	2020			2021		
	Women	Men	Total	Women	Men	Total

Victims of fatal work accidents

No. of victims	0	0	0	0	0	0
Death rate	0	0	0	0	0	0

COVID19

No. of leaves	279	180	459	303	285	588
Hours of absence	16,230	13,661	29,891	19,274	15,538	34,812

Absenteeism

Hours os absence	204,733	120,687	325,420	245,583	149,341	394,924
Absenteeism rate	4.22 %	2.54 %	3.39 %	5.06 %	3.18 %	4.14 %

Occupational disease

No. of cases	0	0	0	0	0	0
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Absenteeism: includes leaves for common illness, work accident and COVID-19.

Frequency and severity indices (403-2, 403-9)

	2019		2020		2021	
	Women	Men	Women	Men	Women	Hombres
Accident frequency index	2.3	0.9	1.51	0.43	1.09	0.22
Severity index	0.1	0.1	0.05	0.03	0.27	0.04

Frequency index = (number of accidents with leave / number of estimated hours worked) x 10⁶

Severity index = (number of days lost per accident with leave / number of estimated hours worked) x 10³.

GRI CONTENT INDEX

102-55

GRI STANDARD	CONTENT	NUMBER OF PAGES AND / OR DIRECT RESPONSES	OMISSIONS	VERIFIC. EXTERNAL	GLOBAL COMPACT PRINCIPLES	SDG	
GRI 101: Foundations 2016							
General Content							
Organisation Profile							
GRI 102: General Disclosures 2016	102-1	Name of the organisation	ABANCA Corporación Bancaria, S.A.		Yes. Page 241		
	102-2	Activities, brands, products and services	50, 56 The corporate purpose of ABANCA Corporación Bancaria, S.A., includes: a) The undertaking of all kinds of activities, operations and services typical of the banking business and in general or related directly or indirectly with the same and which are permitted by current legislation, including the rendering of investment services and auxiliary services and the undertaking of insurance brokerage activities; and b) the acquisition, possession, enjoyment and disposal of all kinds of transferable securities.		Yes. Page 241		
	102-3	Location of headquarters	Cantón Claudino Pita, 2 Betanzos (A Coruña).		Yes. Page 241		
	102-4	Location of operations	51-52, 64-66		Yes. Page 241		
	102-5	Ownership and legal form	29		Yes. Page 241		
	102-6	Markets served	48, 51-52, 56 ABANCA carries out its activity according to the standards and regulations of Spain; practically all its income and expenses are generated in this market.		Yes. Page 241		
	102-7	Scale of the organization	8, 198-199, 203		Yes. Page 241		
	102-8	Information on employees and other workers	205-207		Yes. Page 241	6	8, 10
	102-9	Supply chain	170-174		Yes. Page 241		
	102-10	Significant changes to the organization and its supply chain	45-47		Yes. Page 241		
	102-11	Precautionary principle or approach	116		Yes. Page 241		
	102-12	External initiatives	17		Yes. Page 241		
	102-13	Membership of associations	17-22		Yes. Page 241		
Strategy							
GRI 102: General Disclosures 2016	102-14	Statement from senior decision-maker	5-6		Yes. Page 241		
	102-15	Key impacts, risks and opportunities	41, 189-194		Yes. Page 241		
Ethics and integrity							
GRI 102: General Disclosures 2016	102-16	Values, principles, standards and norms of behaviour	175-177		Yes. Page 241	10	16
	102-17	Mechanisms for advice and concerns about ethics	175 It is certified that in 2021, the complaints channel received a total of five communications, of which two were processed, opening investigation files and concluding on the adoption of corrective actions and/or disciplinary measures.		Yes. Page 241	10	16

GRI STANDARD	CONTENT	NUMBER OF PAGES AND / OR DIRECT RESPONSES	OMISSIONS	VERIFIC. EXTERNAL	GLOBAL COMPACT PRINCIPLES	SDG
General Content						
Governance						
GRI 102: General Disclosures 2016	102-18	Governance structure	29		Yes. Page 241	
	102-19	Delegating authority	35-37		Yes. Page 241	
	102-20	Executive-level responsibility for economic, environmental, and social topics	39		Yes. Page 241	
	102-21	Consulting stakeholders on economic, environmental, and social topics	23-24		Yes. Page 241	16
	102-22	Composition of the highest governing body and its committees	29-37		Yes. Page 241	5, 16
	102-23	Chair of the highest governance body	30		Yes. Page 241	16
	102-24	Nominating and selecting of the highest governance body	30, 36		Yes. Page 241	5, 16
	102-25	Conflicts of interest	162 ABANCA has a current Code of Ethics and Conduct pursuant to which professionals within the organisation must declare the existence or non-existence of any conflict of interest with respect to the ethics code. There are three declarations: non-existence of conflict, participation in companies or activities outside of ABANCA and potential conflict to state situations other than participation in companies or activities that could involve conflict. All employees have the duty to keep their information up to date about possible conflicts of interest, remitting the corresponding declaration through the ABANCA ethics channel. The internal conduct rules impose obligations to state conflicts by certain professionals within the organisation to control the possible interested use of privileged information in financial markets.		Yes. Page 241	16
	102-26	Role of highest governance body in setting purpose, values, and strategy.	37		Yes. Page 241	
	102-27	Collective knowledge of highest governance body	37		Yes. Page 241	4
	102-28	Evaluating the highest governance body's performance	161		Yes. Page 241	
	102-29	Identifying and managing economic, environmental, and social impacts	37		Yes. Page 241	16
	102-30	Effectiveness of risk management processes	36		Yes. Page 241	
	102-31	Review of economic, environmental, and social topics	32-35		Yes. Page 241	
	102-32	Highest governance body's role in sustainability reporting	The Board of Directors, the highest decision-making body for the Company, except on matters reserved for the General Assembly, approves, in a way that cannot be delegated, the main lines of the Company's policies and strategies. The Board of Directors is also responsible for approving the sustainability report.		Yes. Page 241	
	102-33	Communicating critical concerns	35-36		Yes. Page 241	
	102-34	Nature and total number of critical concerns	37		Yes. Page 241	
	102-35	Remuneration policies	38		Yes. Page 241	
	102-36	Process for determining remuneration	38		Yes. Page 241	
102-37	Stakeholders' involvement in remuneration	38		Yes. Page 241	16	
102-38	Annual total compensation ratio	209 The ratio is 11.69 for ABANCA España and 7.88 for Portugal. The information has been calculated based on compensation actually received in 2021.		Yes. Page 241		

GRI STANDARD	CONTENT	NUMBER OF PAGES AND / OR DIRECT RESPONSES	OMISSIONS	VERIFIC. EXTERNAL	GLOBAL COMPACT PRINCIPLES	SDG
General Content						
	102-39	Percentage increase in annual total compensation ratio	209 The ratio is -0.63 % for ABANCA España and 0.87 % for Portugal. The data has been calculated taking into account the average salary increase for the workforce.	Yes. Page 241		
Participation of stakeholders						
GRI 102: General Disclosures 2016	102-40	List of stakeholder groups	23-24	Yes. Page 241		
	102-41	Collective bargaining agreements	108-110, 214 99.6 % of employees from ABANCA and investees, which make up its financial perimeter, are covered by a collective agreement based on the activity sector to which they belong. In all countries with a significant presence, there is a collective agreement applied (Spain, Portugal, Switzerland, the United States, France and Brazil), not having the agreement but having state laws (similar to the workers' statute in Spain) in countries such as Panama, Great Britain, Germany, Mexico and Venezuela.	Yes. Page 241	3	8
	102-42	Identifying and selecting stakeholders	23-24	Yes. Page 241		
	102-43	Approach to stakeholder engagement	25, 168-169	Yes. Page 241		
	102-44	Key topics and concerns raised	25, 168-169, 178	Yes. Page 241		
Reporting practice						
GRI 102: General Disclosures 2016	102-45	Entities included in the consolidated financial statements	More information in Appendix I to the Annual Consolidated Financial Statements.	Yes. Page 241		
	102-46	Defining report content and topic Boundaries	26-27	Yes. Page 241		
	102-47	List of material topics	26-27	Yes. Page 241		
	102-48	Restatement of information	There has been no reformulation of information compared to the 2020 Report.	Yes. Page 241		
	102-49	Changes in reporting	3	Yes. Page 241		
	102-50	Reporting period	2021 calendar year.	Yes. Page 241		
	102-51	Date of most recent report	2020.	Yes. Page 241		
	102-52	Reporting cycle	Annual.	Yes. Page 241		
	102-53	Contact point for questions regarding the report	ABANCA Corporación Bancaria, S.A. Cantón Claudino Pita, 2 Betanzos 981 187 000 www.abanca.com	Yes. Page 241		
	102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared with exhaustive adherence to GRI standards.	Yes. Page 241		
	102-55	GRI content index	216-225	Yes. Page 241		
	102-56	External assurance	241-242 KPMG Asesores performs a limited assurance report of the Corporate and Social Responsibility Report of Abanca, which includes the Non-Financial Information Statement.	Yes. Page 241		
Material topics						
Profitability and solvency						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	25-26	Yes. Page 241		
	103-2	The management approach and its components	43-44, 48	Yes. Page 241	7	8, 9, 13
	103-3	Evaluation of the management approach	43-44, 189-191, 197-199	Yes. Page 241		

GRI STANDARD	CONTENT	NUMBER OF PAGES AND / OR DIRECT RESPONSES	OMISSIONS	VERIFIC. EXTERNAL	GLOBAL COMPACT PRINCIPLES	SDG
Material topics						
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	199		Yes. Page 241	8, 9
	201-2	Financial implications and other risks and opportunities due to climate change	17-22, 116		Yes. Page 241	7 13
	201-3	Defined benefit plan obligations and other retirement plans	<p>With the collective agreements on complementary social contributions, of 04/12/2019 and 21/10/2020, there are not currently any commitments for contributions or benefits defined with the active personnel.</p> <p>The only commitments for a defined contribution or benefit that currently exist are liabilities before 1 January 2020, which have chosen to receive their contributions as annuity income, income that is fully insured (policy) and funded, with there thus being no contributions accrued as of 31 December 2020 pending funding in Spain.</p> <p>With respect to the plan for Portugal, for a benefit defined for personnel with the highest seniority, the commitment accrued as of 31 December 2020 is fully funded (Pension Plan and Internal Fund).</p> <p>In relation to retirement or early retirement plans in Spain, there are commitments for contributions to the special Social Security agreement until reaching the age of 63, and indemnities pending partial payment (as the early retiree opted to receive the compensation established in the form of a temporary annuity until reaching the aforementioned age of 63), commitments which are fully provisioned.</p> <p>Lastly, in December 2021 two collective bargaining agreements were entered into (9 and 27 December 2021) with most of the employees' legal representatives, the first of which on early retirement and the second on incentivised voluntary retirement within the framework of a collective redundancy procedure, geographic mobility and substantial modification, inter alia.</p> <p>The collective bargaining agreements of Bankoia and Novo Banco will be incorporated in ABANCA's supplementary employee welfare system (ABANCA EMPLOYEE PENSION PLAN, defined contribution employment plan) as of 31 December 2021.</p>		Yes. Page 241	
	201-4	Financial assistance received from government	During 2021, the ABANCA Group granted €323,223.63 of our investment to training through FUNDAE.		Yes. Page 241	
Good governance						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	25-26		Yes. Page 241	
	103-2	The management approach and its component	161		Yes. Page 241	10 16
	103-3	Evaluation of the management approach	162		Yes. Page 241	
GRI 415: Public Policy 2016	415-1	Political contributions	As presented in the Code of Ethics and Conduct, ABANCA will guide its activity with public representatives following the principle of political neutrality, and will avoid this being used as an asset or liability to violate current law or to achieve illegitimate or inappropriate ends.		Yes. Page 241	10 16
Ethics and integrity						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	25-26		Yes. Page 241	
	103-2	The management approach and its component	175-179		Yes. Page 241	10 16
	103-3	Evaluation of the management approach	178-182		Yes. Page 241	

GRI STANDARD	CONTENT	NUMBER OF PAGES AND / OR DIRECT RESPONSES	OMISSIONS	VERIFIC. EXTERNAL	GLOBAL COMPACT PRINCIPLES	SDG	
Material topics							
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risk relacionados con la corrupción	162		Yes. Page 241	10	16
	205-2	Communication and training about anti-corruption policies and procedures	162, 213		Yes. Page 241	10	16
	205-3	Confirmed incidents of corruption and actions taken	It is certified that, in 2021, three cases of fraud/corruption were detected, all ending with the imposition of a penalty of disciplinary dismissal. Specifically, two cases in ABANCA CORPORACIÓN BANCARIA, S.A. and one in ABANCA MEDIACIÓN OPERADOR DE BANCA SEGUROS VINCULADO.		Yes. Page 241		
GRI 206: Unfair competition 2016	206-1	Legal actions for anti-competition behavior, anti-trust, and monopoly practices	Through the channels available for that purpose, ABANCA has no record of having been charged in regard to legal proceedings for causes related to monopolistic and anti-free competition practices. Likewise, having searched the electronic files at the bank, none of the legal proceedings filed against ABANCA have this as a subject.		Yes. Page 241		16
Risk management and regulatory compliance							
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	25-26		Yes. Page 241		
	103-2	The management approach and its component	According to its Ethics Code, ABANCA is committed to competing in markets honestly and fairly. Likewise, it is committed to hiring suppliers within a framework of free competition and far from any foreign connection or interference in ABANCA's interests.		Yes. Page 241	8	16
	103-3	Evaluation of the management approach	184, 200		Yes. Page 241		
GRI 207: Tax 2019	207-1	Approach to tax	200		Yes. Page 241		
	207-2	Tax governance, control and risk management	184, 200		Yes. Page 241		
	207-3	Stakeholder engagement and management of concerns related to tax	200		Yes. Page 241		
	207-4	Country-by-country reporting	201		Yes. Page 241		
GRI 307: Environmental compliance 2016	307-1	Non-compliance with environmental laws and regulations	ABANCA has no record of having received any notification, through the channels available for such purpose, of the imposition of significant fines or sanctions related to non-compliance with environmental standards.		Yes. Page 241	8	16
GRI 419: Socio-economic compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	ABANCA has no record of having received through the channels available for such purpose, any significant fine or sanction for non-compliance with laws or standards on social or economic matters.		Yes. Page 241		16
Responsible banking							
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	25-26		Yes. Page 241		
	103-2	The management approach and its component	9-10		Yes. Page 241	1 to 10	1, 8, 13, 16, 17
	103-3	Evaluation of the management approach	25-26		Yes. Page 241		
Sustainable finance							
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	25-26		Yes. Page 241		
	103-2	The management approach and its component	71-81		Yes. Page 241		1, 8, 9, 10, 12, 16
	103-3	Evaluation of the management approach	71-81		Yes. Page 241		
«OTHER INDICATORS: Product portfolio»	FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	11, 61, 72		Yes. Page 241		1, 8, 9, 10

GRI STANDARD	CONTENT	NUMBER OF PAGES AND / OR DIRECT RESPONSES	OMISSIONS	VERIFIC. EXTERNAL	GLOBAL COMPACT PRINCIPLES	SDG
Material topics						
	FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	11, 61, 72			
«OTHER INDICATORS: Assets»	FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues	11, 72			
	FS11	Percentage of assets subject to positive and negative environmental or social issues	11, 72	Yes. Page 241		
						10
				Yes. Page 241		10
Quality and customer experience						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	25-26			
	103-2	The management approach and its component	163-164, 168-169, 179	Yes. Page 241		1, 8, 9, 10, 12, 16
	103-3	Evaluation of the management approach	163-164, 168-169, 179	Yes. Page 241		
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	163-169, 178-179	Yes. Page 241		
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services categories	ABANCA has no knowledge of having incurred any non-compliance with regulations or voluntary codes related to impacts of products and services on health and safety during their life cycle.	Yes. Page 241		16
GRI 417: Marketing and labelling 2016	417-1	Requirements for product and service information and labelling	163-165	Yes. Page 241		12
	417-2	Incidents of non-compliance concerning product and service information and standards or labelling	No sanctions have been received in 2021 regarding standards or transparency with consumers.	Yes. Page 241		16
	417-3	Incident of non-compliance concerning marketing communications	No non-compliance has been produced in 2021 that has brought on any significant sanctions for this reason.	Yes. Page 241		16
«OTHER INDICATORS: Product Portfolio»	FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector	56-70	Yes. Page 241		1, 8, 9
«OTHER INDICATORS: Local communities»	FS13	Access points in low-populated or economically disadvantaged areas by type	53-55	Yes. Page 241		1, 8, 10
	FS14	Initiatives to improve access to financial services for disadvantaged people	53-55	Yes. Page 241		1, 8, 10
Responsible purchasing						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	25, 27	Yes. Page 241		
	103-2	The management approach and its component	170	Yes. Page 241		5, 8, 12, 16
	103-3	Evaluation of the management approach	170	Yes. Page 241		
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	170-171	Yes. Page 241		8
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	171-174	Yes. Page 241		
	308-2	Negative environmental impacts in the supply chain and actions taken	171-172	Yes. Page 241		
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	171-174	Yes. Page 241		5, 8, 16
	414-2	Negative social impacts in the supply chain and actions taken	171-174	Yes. Page 241		5, 8, 16

GRI STANDARD	CONTENT	NUMBER OF PAGES AND / OR DIRECT RESPONSES	OMISSIONS	VERIFIC. EXTERNAL	GLOBAL COMPACT PRINCIPLES	SDG
Material topics						
Digital Banking and Omnichannel Retailing						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	25, 27			
	103-2	The management approach and its component	53-55			9
	103-3	Evaluation of the management approach	53-55		Yes. Page 241	
IT security and data protection						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	25, 27		Yes. Page 241	
	103-2	The management approach and its components	ABANCA must provide maximum protection to the personal and private information of its customers and employees, as set forth in its Code of Ethics and in current legislation on privacy, data protection, and bank secrecy Data protection and the right to privacy are considered in all fields of the entity's management, which has strict internal standards and holds specific training courses for the workforce. Likewise, ABANCA registers all files with the General Data Protection Registry in its possession that have personal data, and all employees have access to a security document that establishes the measures necessary for guaranteeing the security of files with personal data and processing centres, etc. Furthermore, it prohibits access to searching customer data that are not strictly necessary for the job. If this were possible and carried out, it would be subject to sanction, even if it has no transcendence abroad.		Yes. Page 241	16
GRI 418: Customer Privacy 2016	103-3	Evaluation of the management approach	180-181			
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No significant sanctions relating to breaches of customer privacy and loss of customer data were received through the channels available for such purpose.		Yes. Page 241	16
Energy efficiency						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	25, 27		Yes. Page 241	
	103-2	The management approach and its component	117-119		Yes. Page 241	7, 8, 9
	103-3	Evaluation of the management approach	117-119, 125		Yes. Page 241	
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	118-119		Yes. Page 241	7, 8
	302-2	Energy consumption outside of the organisation	One of the most relevant energy consumptions outside of the organisation is consumption associated with employee travel Data on CO ₂ emissions caused by these activities are reflected in the content.		Yes. Page 241	8
	302-3	Energy intensity	118-119		Yes. Page 241	8
	302-4	Reduction of energy consumption	117-119, 125		Yes. Page 241	8, 9
	302-5	Reductions of energy requirements of products and services		Not applicable. Due to the characteristics of ABANCA's sector of activity, in which financial products and services are offered, due to which there are no energy requirements associated with their production.	Yes. Page 241	8, 9
Adaptation and mitigation of Climate change						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	25, 27		Yes. Page 241	
	103-2	The management approach and its component	117, 124		Yes. Page 241	7, 8, 9
	103-3	Evaluation of the management approach	117, 124-125		Yes. Page 241	3, 12, 13, 14, 15

GRI STANDARD	CONTENT	NUMBER OF PAGES AND / OR DIRECT RESPONSES	OMISSIONS	VERIFIC. EXTERNAL	GLOBAL COMPACT PRINCIPLES	SDG
Material topics						
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	124		Yes. Page 241	7, 8 3, 12, 13, 14, 15
	305-2	Energy Indirect (Scope 2) GHG emissions	124		Yes. Page 241	7, 8 3, 12, 13, 14, 15
	305-3	Other indirect (Scope 3) GHG emissions	124		Yes. Page 241	7, 8 3, 12, 13, 14, 15
	305-4	GHG emissions Intensity	124		Yes. Page 241	8 13, 14, 15
	305-5	Reduction of GHG emissions	118-119		Yes. Page 241	8, 9 13, 14, 15
	305-6	Emissions of ozone-depleting substances (SDG)		Not applicable. Due to the characteristics of the activity sector of ABANCA, in which financial products and services are offered, they are not associated with the use or production of substances that deplete the ozone layer.	Yes. Page 241	7, 8 3, 12
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions		Not applicable. Due to the characteristics of the activity sector of ABANCA, in which financial products and services are offered, therefore there are no significant atmospheric emissions associated with their production.	Yes. Page 241	7, 8 3, 12, 14, 15
Human rights						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	25, 27		Yes. Page 241	
	103-2	The management approach and its component	94-96, 103-104, 162		Yes. Page 241	1, 2 1-17
	103-3	Evaluation of the management approach	94-96, 103-104, 162		Yes. Page 241	
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	In 2021, no complaints of human rights violations were received through, the channels available the channels available for such purpose.		Yes. Page 241	5, 8
GRI 412 Human rights Assessment 2016	412-1	Operations that have been subject to human rights reviews or impact assessments	170-174		Yes. Page 241	1
	412-2	Employee training on human rights policies or procedures	95-96, 103-104		Yes. Page 241	1
	412-3	Significant investment and contracts that include human rights clauses or that underwent human rights screening	No contracts or agreements have been identified as having human rights in 2021, so there are not considered to be any risks that make it necessary.		Yes. Page 241	2
Talent management						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	25, 27		Yes. Page 241	
	103-2	The management approach and its component	92-94, 97-102		Yes. Page 241	6 1, 4, 5, 8, 10
	103-3	Evaluation of the management approach	92-94, 97-102		Yes. Page 241	
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	209 The starting base salary for any worker on payroll, regardless of their gender: is 1.2 times in Spain and 1.3 in Portugal the local minimum wage.		Yes. Page 241	6 1, 5, 8
	202-2	Proportion of senior management hired from the local community	39, 204		Yes. Page 241	6 8
GRI 401: Employment 2016	401-1	New employees hires and employee turnover	2014		Yes. Page 241	6 5, 8, 10
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	All ABANCA employees have the same benefits, with the exception of contributions to pension plans a 50% contribution to health insurance, and access to the Flexible Spending plan benefits to which either temporary or indefinite contracts have access.		Yes. Page 241	5, 8
	401-3	Parental leave	211		Yes. Page 241	6 5, 8
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	213		Yes. Page 241	6 4, 5, 8, 10
	404-2	Programs for upgrading employee skills and transition assistance programs	92-94, 99-102, 112		Yes. Page 241	8

GRI STANDARD	CONTENT	NUMBER OF PAGES AND / OR DIRECT RESPONSES	OMISSIONS	VERIFIC. EXTERNAL	GLOBAL COMPACT PRINCIPLES	SDG
Material topics						
	404-3	Percentage of employees receiving regular performance and career development	214		6	5, 8, 10
Diversity, equality and inclusion						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	25, 27	Yes. Page 241		
	103-2	The management approach and its component	103-104	Yes. Page 241		5, 8, 10
	103-3	Evaluation of the management approach	103-104	Yes. Page 241		
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	30-31, 33, 203, 209	Yes. Page 241	6	5, 8
	405-2	Ratio of basic salary and remuneration of women to men	210	Yes. Page 241	6	5, 8, 10
Individual well-being						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	25, 27	Yes. Page 241		
	103-2	The management approach and its component	105-109		3	3, 8
	103-3	Evaluation of the management approach	105-109	Yes. Page 241		
GRI 402: Labour/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	The minimum period is as established by the legislation of each country.	Yes. Page 241	3	8
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	99.2 % of employees have legal representation for workers with competences in health and safety.	Yes. Page 241		8
	403-2	Hazard identification, risk assessment and incident investigation	105-107, 215	Yes. Page 241		3, 8
	403-3	Occupational health services	105-107	Yes. Page 241		3, 8
	403-4	Worker participation, consultation, and communication on occupational health and safety	All topics related to Health and Safety for ABANCA Corporación Bancaria are handled by the Health and Safety Committee, which holds a meeting every three months. It is a joint body made up of company representatives and by delegates and prevention delegates acting as employees' representatives with specific occupational risk prevention functions. In addition to the Committee's quarterly meetings, panels can be established to discuss specific matters or projects such as that currently open to redesign medical examinations, take measurements of radon gas in certain geographic areas, psychosocial risks, etc. In 2021, due to the need to adopt measures against exposure to and prevention of SARS-Cov-2, extraordinary meetings of the Safety and Health Committee were held in order to keep the employees' legal representatives permanently informed of the measures adopted.	Yes. Page 241		3, 8
	403-5	Worker training on occupational health and safety	105-107	Yes. Page 241		3, 8
	403-6	Promotion of worker health	105-109	Yes. Page 241		3, 8
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	105-107	Yes. Page 241		3, 8
	403-8	Workers covered by a occupational health and safety management system	99.2 %	Yes. Page 241		3, 8
	403-9	Work-related injuries	215	Yes. Page 241		3, 8
	403-10	Work-related ill health	215 No cases or deaths have been produced that were related to occupational diseases or similar.	Yes. Page 241		3, 8

GRI STANDARD	CONTENT	NUMBER OF PAGES AND / OR DIRECT RESPONSES	OMISSIONS	VERIFIC. EXTERNAL	GLOBAL COMPACT PRINCIPLES	SDG
Material topics						
Generation of wealth and boost of entrepreneurial activity						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	25, 27			
	103-2	The management approach and its component	56-70	Yes. Page 241		
	103-3	Evaluation of the management approach	56-70	Yes. Page 241		1, 3, 5, 8, 9, 11
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and supported services	133-142, 147-149, 182	Yes. Page 241		5, 9, 11
	203-2	Significant indirect economic impacts	61-64, 150-152	Yes. Page 241		1, 3, 8
Social action and volunteer work						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	25, 27	Yes. Page 241		
	103-2	The management approach and its component	133-149	Yes. Page 241	1	1, 2, 3, 8, 10, 17
	103-3	Evaluation of the management approach	150-160	Yes. Page 241		
GRI 413: Local communities 2016	413-1	Operations with local community engagement, impact assessments and development programs	133-160	Yes. Page 241	1	
	413-2	Operations with significant actual and potential negative impacts on local communities	182	Yes. Page 241		2
Financial inclusion						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	25, 27	Yes. Page 241		
	103-2	The management approach and its component	8, 12, 133	Yes. Page 241		1, 5, 8, 10
	103-3	Evaluation of the management approach	8, 12, 133	Yes. Page 241		

INDEX OF CONTENTS REQUIRED BY LAW 11/2018

Contents required by Law 11/2018	Materiality	Page number in this report	Reporting criterion: GRI (last version unless indicated otherwise)
General information			
A brief description of the business model, which includes its entrepreneurial environment, organisation and structure	Material	8, 50, 56, 198, 203	GRI 102-2 (2016) GRI 102-7 (2016)
Markets in which it operates	Material	48, 51-52, 56-66	GRI 102-3 (2016) GRI 102-4 (2016) GRI 102-6 (2016)
Objectives and strategies of the organisation	Material	5	GRI 103-2 (2016) GRI 102-14 (2016)
Main factors and trends that can affect its future evolution	Material	5, 41, 189-194	GRI 102-14 (2016) GRI 102-15 (2016)
Reporting framework used	Material	3, 218	GRI 102-54 (2016)
Principle of materiality	Material	26	GRI 102-46 (2016) GRI 102-47 (2016)
Environmental issues			
Management approach: description and results of policies related to these issues, as well as the main risks related to those issues related to group's activities	Material	41, 117-118, 189-194	GRI 102-15 (2016) GRI 103-2 (2016)
General Detailed Information			
Detailed information about the current and foreseeable effects of the company's activities on the environment and, if applicable, health and safety	Material	41, 115, 189-194	GRI 102-15 (2016)
Environmental assessment or certification procedures	Material	69, 117	GRI 103-2 (2016)
Resources dedicated to the prevention of environmental risks	Material	81	GRI 103-2 (2016)
Application of the principle of precaution	Material	115-116	GRI 102-11 (2016)
Quantity of provisions and guarantees for environmental risks	Material	See Note 1.6 to the financial statements	GRI 103-2 (2016)
Contamination	No material	n.a.	n.a.
Circular economy and waste prevention and management	No material	n.a.	n.a.
Sustainable use of resources			
Water consumption and supply according to local limitations	No material	n.a.	n.a.
Consumption of raw materials and measures adopted to improve their efficient use	No material	n.a.	n.a.
Direct and indirect energy consumption	Material	119	GRI 302-1 GRI 302-3
Measures taken to improve energy efficiency	Material	17, 116-119	GRI 103-2 (2016) GRI 201-2
Use of renewable energy	Material	117-129	GRI 302-1
Climate change			
Greenhouse gas emissions generated as a result of the company's activities, including the use of the produced goods and services	Material	124	GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-4
Measures adopted to be adapted to the consequences of climate change	Material	17-23, 116-120, 125	GRI 103-2 (2016) GRI 201-2

Contents required by Law 11/2018	Materiality	Page number in this report	Reporting criterion: GRI (last version unless indicated otherwise)
Reduction goals voluntary established for the medium and long terms, to reduce greenhouse gas emissions and the means implemented for such purpose	Material	118-119	GRI 103-2 (2016) GRI 305-5
Protection of biodiversity	No material	n.a.	n.a.
Social and personnel-related issues			
Management approach: description and results of policies related to these issues, as well as the main risks related to those issues related to group's activities	Material	99, 189-194	GRI 102-15 (2016) GRI 103-2 (2016)
Employment			
Total number and distribution of employees, by country, gender, age, and professional classification	Material	203-204	GRI 405-1
Total number and distribution of work contract modalities and the annual average of indefinite contracts, temporary contracts, and part-time contracts, by gender, age, and professional category	Material	205-207	GRI 102-8 (2016)
Number of dismissal, by gender, age and professional category	Material	208	GRI 103-2 (2016) GRI 401-1
Average compensations and their evolution, disaggregated, by gender, age and professional category or equal value	Material	209	GRI 103-2 (2016) GRI 405-2
Wage gap, the compensation for equal positions or average for the company	Material	210	GRI 103-2 (2016) GRI 405-2
Average compensation for board members and executives, including variable remuneration, allowances, indemnities, payment to long-term savings pension systems and any other perception disaggregated by gender	Material	210	GRI 103-2 (2016) GRI 405-2
Implementation of policies on the right to disconnect from work	Material	110	GRI 103-2 (2016) GRI 102-41
Number of employees with disability	Material	208	GRI 103-2 (2016) GRI 405-1
Work organisation			
Working time organisation	Material	108-110	GRI 103-2 (2016) GRI 102-41
Number of hours of absenteeism	Material	105, 215	GRI 103-2 (2016) GRI 403-9
Measures aimed at facilitating enjoyment of conciliation and encouraging co-responsible exercise of these by both parents	Material	108-110	GRI 103-2 (2016) GRI 401-3
Health and Safety			
Occupational health and safety conditions	Material	105-110	GRI 103-2 (2016) GRI 403-1 a 403-8
Occupational accidents, specifically their frequency and severity, as well as occupational diseases; disaggregated by sex	Material	215	GRI 403-9 GRI 403-10
Social relations			
Organisation of social dialogue, including procedures for informing and consulting personnel and negotiating with them	Material	24, 108-110	GRI 103-2 (2016)
Percentage of employees covered by collective agreement by country	Material	214	GRI 102-41 (2016)
Balance of collective agreements, particularly in the field of occupational health and safety	Material	214, 224	GRI 103-2 (2016) GRI 403-4
Training			
Policies implemented in the field of training	Material	99-100	GRI 404-2
Total quantity of training hours by professional category	Material	213	GRI 103-2 (2016) GRI 404-1
Universal accessibility			
Universal accessibility for disabled people	Material	53-55	GRI 103-2 (2016)
Equality			
Measures adopted to promote equal treatment and opportunities for women and men	Material	103, 162	GRI 103-2 (2016)

Contents required by Law 11/2018	Materiality	Page number in this report	Reporting criterion: GRI (last version unless indicated otherwise)
Equality plans, measures adopted to promote employment, protocols against sexual harassment and gender discrimination	Material	103	GRI 103-2 (2016)
Policy against all discrimination and, if applicable, diversity management	Material	162	GRI 103-2 (2016)
Respect for Human Rights			
Management approach: description and results of policies related to these issues, as well as the main risks related to those issues related to group's activities	Material	9-10, 41, 162, 189-194	GRI 102-15 (2016) GRI 103-2 (2016)
Application of due diligence procedures			
Application of due diligence procedures in the matter of human rights and prevention of risks of violating human rights and, if applicable, measures for mitigating, managing and repairing possible abuses committed	Material	103-104, 162, 170-177, 220	GRI 102-16 (2016) GRI 102-17 (2016) GRI 412-1 a 412-3
Complains for cases of human rights violations	Material	In 2021, no complaints of human rights violations were received through the ethics channel and no convictions for human rights violations related to this respect, through the freedom of association and the right to collective negotiation, the elimination of discrimination in employment and the workplace, the elimination of forced or obligatory labour, the effective abolition of child labour were handed down.	GRI 103-2 (2016) GRI 406-1
Measures implemented to promote and comply with provisions in the fundamental ILO conventions related to this respect, through the freedom of association and the right to collective negotiation, the elimination of discrimination in employment and the workplace, the elimination of forced or obligatory labour, the effective abolition of child labour	Material	162	GRI 103-2 (2016)
Fight against corruption and bribery			
Management approach: description and results of policies related to these issues, as well as the main risks related to those issues related to group's activities	Material	41, 162, 213	GRI 102-15 (2016) GRI 103-2 (2016)
Measures adopted to prevent corruption and bribery	Material	162, 175-177, 213, 220	GRI 103-2 (2016) GRI 102-16 (2016) GRI 102-17 (2016) GRI 205-1 a 205-3
Measures to fight against money laundering	Material	162, 175-177, 213, 220	GRI 103-2 (2016) GRI 102-16 (2016) GRI 102-17 (2016) GRI 205-1 a 205-3
Contributions to non-profit foundations and entities	Material	22, 199, 219	GRI 102-13 (2016) GRI 201-1 GRI 415-1
Company Information			
Management approach: description and results of policies related to these issues, as well as the main risks related to those issues related to group's activities	Material	9-10, 41, 189-194	GRI 102-15 (2016) GRI 103-2 (2016)
Company commitments to sustainable development			
The impact of the company's activity on employment and local development	Material	61-64, 87-89, 133-142, 147-149, 170-174	GRI 103-2 (2016) GRI 203-2 GRI 204-1
The impact of the company's activity on local populations and in the territory	Material	127-160	GRI 103-2 (2016) GRI 413-1 GRI 413-2
The relationships maintained with actors from local communities and the modalities for dialogue with these	Material	25, 168-169	GRI 102-43 (2016) GRI 413-1
Actions of association or sponsorship	Material	199	GRI 103-2 (2016) GRI 201-1
Sub-contracting and suppliers			
Inclusion of social matters, gender equality and environmental issues in purchasing policy	Material	170-172	GRI 103-2 (2016)
Consideration in relationships with suppliers and sub-contractors under its social and environmental responsibility	Material	170-174	GRI 102-9 (2016) GRI 308-1 GRI 414-1

Contents required by Law 11/2018	Materiality	Page number in this report	Reporting criterion: GRI (last version unless indicated otherwise)
Supervision and audit systems and their results	Material	170-174	GRI 102-9 (2016) GRI 308-2 GRI 414-2
Consumers			
Measures for consumer' health and safety	Material	162-169, 178-179	GRI 103-2 (2016) GRI 416-1
Complaint system, complaints received and their resolution	Material	222 Complaints at first instance (38,271 in Spain and 192 in Portugal), of which 36,302 were admitted for processing in Spain and 192 in Portugal. No material penalties relating to breaches of customer privacy and loss of customer data were received by ABANCA through the channels available for such purpose.	GRI 103-2 (2016) GRI 418-1
Fiscal Information			
Profit obtained country by country	Material	201	GRI 103-2 (2016) GRI 207-4
Profit taxes paid	Material	201	GRI 103-2 (2016) GRI 201-1 GRI 207-4
Public subsidies received	Material	219	GRI 201-4
REGULATION EU (2020/852) - TAXONOMY			
Requirements of Regulation	Material	82-86	ABANCA's own methodology developed based on article 8 of the European Taxonomy

UNEP FI, UNITED NATIONS PRINCIPLES OF RESPONSIBLE BANKING

Reporting and Self-Assessment Requirements

High-level summary of ABANCA's response

Reference(s) / Link(s) to bank's full full response / relevant information

Principle 1: Alignment.
We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

1.1 Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.

Our business objective consists of developing and maintaining a range of activities, transactions and general banking services, both direct and indirect, permitted by the legislation in force, which include the provision of investment services, whether direct, complementary or accessory, the development of insurance intermediation activities and the acquisition, tenure, management, maintenance and sale of all types of marketable assets.

Business model.
 Business model (multi-channel distribution).
 ABANCA responsible banking (Action model).

In order to retain the maximum added value generated by the Bank and guarantee the level of customer experience, ABANCA controls the value chain maintaining ownership of most of the financial services businesses it uses to develop its business model (insurance, credit cards, fund management, payment methods, real estate services, etc.).

ABANCA has focused its customer relationship model on the omnichannel approach, in which the customer decides when and how to perform its financial transactions, maintaining in turn traditional branch offices as a referral channel and the heart of an individually tailored service increasingly reliant on alternative channels (mobile banking, payment methods, ATMs, POSs, etc.) as a complement.

The group's activity is centred in Spain, with significant presence in the Autonomous Region of Galicia. In recent years, ABANCA Group has also expanded its activity to Portugal.

ABANCA Group has designed a new Strategic Plan 2021-2024 based on five strategic lines: increased generation of recurring income, cost efficiency, environmental risk management, acquisitions and exponential transformation of the Bank, placing special emphasis on the transition to a business focused on sustainability. In recent years, ABANCA has defined an action model that puts sustainability at the centre of decision-making.

The main geographic market of ABANCA is Spain, where 688 of the 742 total offices are concentrated. In Galicia, Asturias, Extremadura and in the province of León, ABANCA has proximity network available with strong capillarity. In the rest of the Spanish territory, it has a much more selective physical network. The Bank has a strong presence in Portugal, with 44 branch offices and 25 agents, which is completed by two operational branch offices in Switzerland (Geneva) and the United States (Miami) and 8 representative offices (France, United Kingdom, Switzerland, Germany, Panama, Brazil, Mexico and Venezuela).

1.2 Describe how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

ABANCA has a strong will for its activity to serve as momentum for social improvement and sustainable growth and is committed to doing it with transparency and in line with the ten principles of the Global Compact. In this way, the Entity strives to align its global strategy with the SDGs and the Paris Climate Agreement and best practices in order to guarantee its contribution as a financial services provider and a member of the community.

ABANCA responsible banking (Action model).
 ABANCA responsible banking (Contribution to SDGs).
 ABANCA responsible banking (Partnerships for the goals).
 ABANCA responsible banking (Action model).

Objective have been prioritised for initial direct action, a total of 4+4 objectives, due to their elevated impact, repercussion, and level of influence on what will impact the lines of action in the economic, social and environmental scopes. These are:

- Contribution as a financial agent: SDG 8, 9, 14 y 15.
- Contribution as a social agent: SDG 4, 10, 12, 13.

In 2021, the Bank participated in several SDG good practices dissemination campaigns using the COMPARTE Platform, and the Global Compact Network's media. ABANCA also participates in the UNEP FI Collective Commitment to Climate Action, in the Net Zero Banking Alliance and in the Agreement on climate in the Spanish banking sector, and is a signatory bank of the UNEP FI Principles of Responsible Investment and the Global Compact for Sustainable Ocean Principles.

Additionally, ABANCA has presented the Responsible and Sustainable Banking Action Plan 2021-2024, which sets out the goals and roadmap for driving an environmentally friendly economic and social model through three lines of action: environmental, socio-economic and good governance. This Plan is linked to the corporate framework formed by the Sustainability Policy, the Code of Ethics and Conduct and the other policies set out in the chapter on Good Governance and aims to take a step forward in the commitments acquired in recent years and align the Bank's strategy with the Sustainable Development Goals.

Reporting and Self-Assessment Requirements

High-level summary of ABANCA's response

Reference(s) / Link(s) to bank's full full response / relevant information



Principle 2: Impact and establishment of objectives. We will continuously work to augment our positive impacts will reducing the negative impacts, and we manage the risks for people and the environment resulting from our activities, products and services. With this goal, we will establish and publish objectives where we might have the most significant impacts.

2.1 Show that your Bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfils the following elements:

- a. Scope: The Bank's core business areas, products/ services across the main geographies that the bank operates in have been as described under 1.1. have been considered in the scope of the analysis.
- b. Scale of Exposure: In identifying its areas of most significant impact, the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies.
- c. Context & Relevance: Your Bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/ regions in which it operates.
- d. Scale and intensity / salience of impact: In identifying its areas of most significant impact, the Bank has considered the scale and intensity/ salience of the (potential) social, economic and environmental impacts resulting from the Bank's activities and provision of products and services.

ABANCA has updated its materiality study with the objective of identifying relevant matters for the Entity and its stakeholders. The methodology used in the study is based on the guidelines of the Global Reporting Initiative (GRI) standards, specifically GRI 101. In this analysis, 19 material topics were identified, among which the following stand out in terms of ESG: financial inclusion, mitigation and adaptation of climate change and customer quality and experience.

Once the material topics have been identified, an internal debate and analysis process of the context that ended with the definition of the Responsible and Sustainable Banking Action Plan 2021-2024. This action plan includes the objectives relative to the Entity's commitments to sustainability to manage the impact areas and risks identified.

These objectives fall under three lines of work:

- Environmental: with measures for addressing the climate emergency.
- Socio-economic: aimed at driving recovery and transformation towards sustainable development.
- Good governance: a management model is embodied aimed at providing a swift response to stakeholders' needs and with a special focus on new risks.

Furthermore, to continue to adapt to sustainable finance, a diagnosis of maturity in sustainable finances has been performed and a roadmap designed that will served to fulfil stakeholders' expectations. This project was carried out with the global involvement of the Bank.

A roadmap has been defined specifying the next steps in the process of implementing the Principles of Responsible Banking.

ABANCA responsible banking (Materiality analysis).

ABANCA responsible banking (Action model).

ABANCA responsible banking (Sustainability Plan 2021-2024).

Sustainable finance.

ABANCA responsible banking (Partnerships for the goals).

Please provide your Bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis: ABANCA has identified the material subjects of the Entity and will continue identifying its impacts, boosting the positive and reducing the negative.

Reporting and Self-Assessment Requirements

High-level summary of ABANCA's response

Reference(s) / Link(s) to bank's full full response / relevant information



Principle 2: Impact and establishment of objectives.

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2.2 Target Setting

"Show that the Bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets, which address at least two of the identified "areas of most significant impact", resulting from the bank's activities and provision of products and service.

Show that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The Bank must have identified a baseline (evaluated against a certain year) and have established objectives regarding this baseline.

Show that the Bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society's goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.

The Sustainability Plan 2021-2024 sets out the roadmap and objectives set by the Bank for the coming years and aims to take a step forward on the commitments made and in the contribution to the SDGs. Three objectives were established:

1. Work to mitigate the effects of climate change and promote sustainability within the environment in which the Bank operates.
2. Promote sustainable economic activity, incorporating ESG aspects in the management, business and risk model.
3. Support our customers' transition to sustainability.

The actions envisaged to fulfil these objectives are encompassed in three main lines of action: Environmental, Social and Good Governance.

Environmental Line (SDG12, SDG 13, SDG15):

- Maintain an electricity supply with a 100% guarantee of renewable origin.
- Become a carbon-neutral Entity in its internal operations by 2024.
- Achieve the zero emissions attributable to the portfolio by 2050, in accordance with the objectives of the Paris Agreement.
- Implement a waste management model in all of the Bank's corporate head offices by 2024.
- Obtain AENOR Zero Waste certification in its main head offices.
- Define the environmental footprint in 2022 that will serve as a roadmap and environmental management mechanism.
- Follow the Global Energy Efficiency Plan established until 2024.

Socio-Economic Line (SDG 14, SDG 4, SDG10):

- Sustainable product catalogue offering.
- Continue to accompany the Entity's customers in the transition to a low-emission economy by broadening the sustainable product portfolio.
- Continue to finance renewable energy projects.
- Continue working to adapt process technology based on the sustainability criteria laid down in the regulations.
- Advance in the segmentation of the portfolio in accordance with its exposure to climate risk.
- Follow and adapt to the supervisory expectations on sustainable finance.
- Reach one million beneficiaries in Afundación, ABANCA's Social Welfare Project.
- Support the launch of the Intercontinental Business University.
- Commit to vocational training from an comprehensive viewpoint that improves our offering, updated to meet the new needs and that promotes continuous synergies with the university system.
- Promote, through Afundación, actions in rural Galicia.
- Foster a "solidarity" culture both to sensitise citizens and to favour the participation of vulnerable groups, and design innovative cultural actions that will allow us to reach young people.
- Drive, through Volunteering, our impact in the field of sustainability and social welfare aimed at vulnerable groups.
- Continue with financial education programmes.

Good Governance Line (SDG 4, SDG 5, SDG 17)::

- Increase partnerships to achieve collective action with global impact.
- Continue and keep the sustainability training of all employees and governing bodies up to date.
- Train teams in Sustainable Finance, regulatory aspects and ESG risk management.
- The number of females as members of the board of directors should be at least 40 % of all members in 2022, and before that it can be no less than 30 %.
- Create an Equality Committee to monitor, evaluate and review the new Equality Plan 2021-2025.
- Achieve a balance representation of the under-represented gender by improving their possibilities of accessing positions of responsibility.
- Favour the work/life balance of our employees.
- Develop a training programme to raise employees' awareness on equality and diversity.
- Guarantee that every person has the same opportunities of incorporation, remuneration, professional development based on their achievements and performance (meritocracy) regardless of their gender.
- Promote working conditions that avoid sexual harassment and harassment on the grounds of gender and help victims of gender-based violence.

ABANCA responsible banking (Action model).

Sustainable awareness (Environmental awareness).

Sustainable finance.

Sustainable awareness (Social awareness).

ABANCA responsible banking (Partnerships for the goals).

Governing bodies (Board of Administration).

Responsible professionals (Training).

Please provide your Bank's conclusion/statement if it has fulfilled the requirements regarding Target Setting: In its Sustainability Plan 2021-2024, ABANCA has defined priority objectives in the short and medium term, metrics for monitoring them and a roadmap to guide the different actions.

Reporting and Self-Assessment Requirements

High-level summary of ABANCA's response

Reference(s) / Link(s) to bank's full full response / relevant information



Principle 2: Impact and establishment of objectives.
We will continuously work to augment our positive impacts will reducing the negative impacts, and we manage the risks for people and the environment resulting from our activities, products and services. With this goal, we will establish and publish objectives where we might have the most significant impacts.

2.3. Plans for Target Implementation and Monitoring:
 Show that your bank has defined actions and milestones to meet the set targets.
 Show that your Bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.

Cross-cutting coordination work for implementing the Responsible and Sustainable Banking Action Plan 2021-2024 is initially carried out by the Social Responsibility and Sustainability area, a unit of the General Office of Corporate Social Responsibility and Communication.
 This plan includes a series of KPIs that measure the performance of the previously defined objectives which are monitored on a quarterly basis and is supervised by the Strategic Planning area.
 Main actions and milestones carried out to achieve the objectives in 2021:

- Launch of the Responsible and Sustainable Banking Action Plan 2021-2024.
- Update of the Responsible Investment and Integration of Sustainability Risks Policy, the Global Energy Efficiency Plan and the Energy and Environment Policy.
- ABANCA has established a sustainable finance training process aimed at all employees.
- Publication of the Framework for Emissions with Sustainable Development Goals.
- Update of an internal Guide to Environmental Good Practices with the aim of sensitising all the teams of the importance of responsible consumption of resources.
- ABANCA defined the Environmental and Climate Risk Management Policy as part of the Credit Risk Policies Manual.
- Definition of a Master Risk Plan to fulfil the ECB's expectations on the incorporation of environmental and climate risks.
- ABANCA has joined the Net Zero Banking Alliance.
- Launch.

ABANCA responsible banking (Action model).
 ABANCA responsible banking (Action model).
 Sustainable finance.
 Sustainable awareness (Environmental awareness).
 Comprehensive risk management.
 ABANCA responsible banking (Partnerships for the goals).

Please provide your Bank's conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring: The Bank will ensure tracking and proper development of the objectives that are established.

Reporting and Self-Assessment Requirements

High-level summary of ABANCA's response

Reference(s) / Link(s) to bank's full full response / relevant information



Principle 2: Impact and establishment of objectives.

We will continuously work to augment our positive impacts will reducing the negative impacts, and we manage the risks for people and the environment resulting from our activities, products and services. With this goal, we will establish and publish objectives where we might have the most significant impacts.

2.4 Progress on Implementing Targets For each target separately For each individual objective:

Show that your bank has implemented the actions it had previously defined to meet the set target.

Or explain why actions could not be implemented / needed to be changed and how your bank is adapting its plan to fulfil its established objective.

Report on your Bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in (where feasible and appropriate, Banks should include quantitative disclosures).

The progress made in the Bank's three lines of action in 2021 was as follows:

Environmental Line

- The electricity consumed by the Bank is 100% renewable with <<Guarantee of Origin>>.
- ABANCA achieved a reduction of 86.46 % in the scope 2 emissions. The emission of 3,341 t CO₂eq was avoided with the guarantee of origin of the energy.
- The volume of correspondence was reduced by 52.33 % compared to the previous year.
- The consumption of water and paper was reduced by 10.9 % and 29.2 %, respectively.
- Participation in the financing of renewable energy projects for a total amount of €820 million.
- An agreement has been entered into with Endesa to cover most of the Entity's electricity demand in the next 10 years with energy of Galician origin.
- The Zero Waste Project was implemented in our corporate head offices of A Coruña (Rúa Nueva, 30 and Pocomaco), Madrid (Recoletos, 4) and ABANCA Seguros and is being implemented in other corporate head offices.
- The AENOR Zero Waste certificate was obtained in the head offices of Rúa Nueva 30, Recoletos 4 and ABANCA Seguros.
- The reuse of electronic waste achieved emission savings of 77.4 tCO₂e, up 17 % on 2020.

Socio-Economic Line

- In 2021 ABANCA closed its first green bond issue.
- ABANCA launched its first sustainable financing products on the market, thereby advancing in the design of a sustainable products catalogue.
- The Framework for Emissions with Sustainable Development Goals has been defined and published.
- ABANCA has entered into an agreement to support the growth and development of Spanish small and medium-sized companies (SMEs) affected by the economic crisis arising from COVID-19.
- The financial education programme of ABANCA and Afundación reached the record figure of a total of €123,170 digital and face-to-face beneficiaries in the 2020-2021 academic year.

Good Governance Line

- The Nomination and Sustainability Committee was created.
- The Entity shows a balanced workforce, where 50.9 % of permanent contracts correspond to women and 49.1 % to men.
- There is greater feminine presence with an upward trend in training activities.
- For the purpose of addressing areas for improvement in the field of equality, in December 2021 a new Equality Plan was approved for the period 2021-2025.
- A sustainable finance training plan has been launched so that all employees can acquire the necessary knowledge of this strategic area.
- An ESG risk management and analysis training programme has been defined.
- Organisation of the 2nd Sustainable Finance Session.

Sustainable awareness (Environmental awareness).

Sustainable finance.

Sustainable awareness (Environmental awareness).

ABANCA responsible banking (Partnerships for the goals).

Sustainable finance.

Please provide your Bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets. In 2021 we made progress in the objectives established in the Sustainability Plan 2021-2024. Additionally, we reviewed the Sustainability Policy and Energy and Environment Policy, adapting them to the new plan and actions.

Reporting and Self-Assessment Requirements

High-level summary of ABANCA's response

Reference(s) / Link(s) to bank's full full response / relevant information



Principle 3: Customers and users.
We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

3.1. Provide an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information about the programmes and actions implemented (and/or planned), their scale and, when possible, their results.

All of ABANCA's activity is regulated by internal policies and procedures that ensure the entity's responsible behaviour and constitute the corporate framework, which guides our actions with the necessary reach for balance between economic growth, respect for the environment, and social welfare:

- The Bank has a Code of Ethics and Conduct and other responsible behaviour policies such as Anti-Corruption Policy and the Commitment to Human Rights.
- Sustainability Policy: it consists of the commitment to provide the best and most comprehensive service to customers, accompanying them to create a new value proposition in their transition and transformation to a sustainable business model.
- Responsible Investment and Integration of Sustainability Risks Policy: advancing in the commitment acquired by ABANCA to the Principles for Responsible Investment, this policy aims to bring together the strategy and basic action principles for investment, with the aim of obtaining a return on investment that is consistent with its customers' objectives, while maximising social and environmental well-being. In this manner, ABANCA maintains an active dialogue with the companies in which it has invested or wants to invest so that they follow responsible behaviours and try to influence said behaviour.
- Environmental and Climate Risk Management Policy: this policy has the goal of limiting and mitigating the impact of climate change and the potential toxic effects on the environment deriving from the activity of granting credit to customers. In order to assess the level of climate risk of customers belonging to the sectors that the Bank has identified as most highly pollutant/harmful to the environment and its operations, a questionnaire has been developed which, depending on its result, a low, medium or high climate risk rating is obtained.
- Quality policy: our commitment to continuous improvement and process and service excellence as necessary levers for offering quality services, promoting best practices in management systems, learning our internal and external customers' expectations and needs, and promoting continuous improvement actions.
- Communication Policy: it is aimed at establishing a general framework of communication and dialogue with the different stakeholders that contribute to preserving and improving the good reputation and image of the Bank, to disclosing its corporate values and helping to achieve its strategic objectives through the dissemination of information under the criteria of transparency, veracity, rigour, coherence, efficiency, fairness, responsibility and sustainability.
- In 2021 the Procura Regulation was updated, which requires all ABANCA suppliers to comply with the environmental policies, the Code of Ethics and Conduct of suppliers and, therefore, the Principles of the Global Compact.

Also, ABANCA has the Product Governance Committee, presided by the CEO, which is responsible for guaranteeing that the products are designed to satisfy customers' needs and that they are managed in a responsible manner. This harmonisation between development and capabilities is reflected in the training process of our distribution network teams, which establishes information and training levels and defines the necessary training mechanisms prior to effectively marketing each product.

ABANCA responsible banking (Action model).
 Sustainable finance.
 Comprehensive risk management.
 Sustainable awareness (Awareness of good governance).

Reporting and Self-Assessment Requirements

High-level summary of ABANCA's response

Reference(s) / Link(s) to bank's full full response / relevant information



Principle 3: Customers and users.
We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

3.2 Describe how your Bank has worked with and/ or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information about the actions planned / implemented, the products and services developed and, when possible, the impacts achieved.

Within the socio-economic line of action, ABANCA has continued to adapt its product and service portfolio to offer a sustainable alternative to its catalogue, always from a progressive, incremental and complementary standpoint that will prove useful to support our customers' efforts in the transition to more environmentally-friendly business models. In this context, we consider it crucial to channel finance and investment towards projects with the potential to transform the traditional economy, introducing new lines of green and social business which, in addition to being effective, respect the adaptation times of each customer. It is essential to harmonise development in innovation with our customers' capabilities and the Bank's activity is critical to achieve it, always meeting the criteria and expectations set by the regulator.

- ABANCA helps its customers in the transition to an economy with low GHG emissions, supporting the financing of renewable energy and energy efficiency projects, responsible investment and fostering innovation in the development of new technologies for sustainable growth.
- In 2021 the Entity successfully placed its first €500 million issue of Senior Preferred green bonds. .
- As a result of this line of work, the Bank markets several products ultimately aimed at achieving sustainability, aimed at both individual customers and self-employed professionals, SMEs, companies and homeowners' association.
- The specialist business focuses on supporting the primary sector towards more environmentally friendly business models: from the dissemination of information on aid for business model improvement plans and assistance with formalities, financial inclusion of sector professionals, to the advancement of grants and finance for reducing the environmental impact and investing in social welfare projects.
- It also carries out discretionary portfolio management through four investment strategies: Alpha Responsible, Alpha Exponential Future, Alpha Cíclica and Cartera ABANCA 360. ABANCA's investment model, Alpha 360, takes into account ESG factors as a relevant variable in the decision-making process. This allows ABANCA to make better-informed decisions both in relation to the fixed-income and equities assets of the different treasury portfolios, and to the offering of financial products and services for customers.
- In the model, the following are key: the application of the Principles for Responsible Investment (PRI), the Principles for Responsible Banking and the Principles of the United Nations Global Compact, in addition to promoting the incorporation of ESG criteria in the selection funds and asset analysis.
- Parallel to this, the Entity is developing the adaptation of a product catalogue following the criteria of the Taxonomy Regulation.
- Furthermore, considering that some sectors where the Entity operates could have a significant social and environmental impact, the Entity considers it essential to identify, evaluate and manage the environmental and climate risk associated with these exposures. Consistently with the foregoing, the evaluation of ESG risks is being gradually included in the Credit risk admission processes.

In collaboration with Afundación, ABANCA's Social Welfare Project, training actions in digital skills and financial education programme have been carried out to help customers to acquire knowledge and skills to manage their finances.

Sustainable finance.
 Comprehensive risk management.
 Sustainable awareness (Social awareness).

Reporting and Self-Assessment Requirements

High-level summary of ABANCA's response

Reference(s) / Link(s) to bank's full response / relevant information



Principle 4: Stakeholders.
We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

4.1 Describe which stakeholders (or groups/types of stakeholders) your Bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a general high-level description of how your Bank has identified the relevant interested parties and which problems were addressed / results were achieved.

One of ABANCA's priorities is to maintain a fluid and permanent dialogue with all its stakeholders through the different communication channels, which allows us to identify their material aspects and associated risk and opportunities within the framework of our Social Responsibility. The groups consulted were: employees, customers, shareholders and investors, suppliers and society.

ABANCA has a large toolbox available for consultation, where it values the opinion of and dialogue with stakeholders. The practices for improving the Bank's customer relations include, namely: the ABANCA Escucha Delta, ABANCA Colabora and Mystery Shopper programmes, which seek to listen to and understand customers' needs and expectations, and customer service charters.

Furthermore, ABANCA participates in the working groups corresponding to the commitments the entity has undertaken, which have the goal of drafting and implementing a set of measures that they will take in constant dialogue with its customers and its stakeholders. These include, namely, the Commitment to Climate Action, the Net Zero Banking Alliance of the UNEP-FI, the Spanish banking sector's Sectoral Climate Agreement, adherence to the Principles for Responsible Investment and Sustainable Ocean Principles, and has also been a member of the Global Compact Global Network since its creation.

The bank has started the BANCA Observatory by IESIDE, launched in collaboration with the Intercontinental Business Institute for Higher Learning (IESIDE), has the objective of contributing to Galician society, particularly to its productive fabric (autonomous entities, professionals, trading companies, SMEs, enterprises, corporations), data on the progress of the Community that serve as support for its decisions.

ABANCA responsible banking (Dialogue with stakeholders).

ABANCA responsible banking (Partnerships for the goals).

Sustainable awareness (Social awareness).

Reporting and Self-Assessment Requirements

High-level summary of ABANCA's response

Reference(s) / Link(s) to bank's full full response / relevant information



Principle 5: Governance and culture
We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

5.1 Describe the relevant governance structures, policies and procedures your Bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.

All of ABANCA's activity is regulated by internal policies and procedures that ensure the Bank's responsible behaviour, included in the chapter on Sustainable Awareness..

The Social Responsibility and Sustainability area, within General Office of Corporate Social Responsibility and Communication, is transversal to the entire organisation.

The General Office of Corporate Social Responsibility and Communication has the function of implementing the strategy for social responsibility and executing the action plans on the subject agreed by the governing bodies.

By way of top-level committee, in 2021 the Bank created the Nomination and Sustainability Committee, which has additional functions relative to: periodically evaluating and reviewing the Company's sustainability strategy, the aim of fulfilling its mission of promoting social interest taking into account, where applicable, the legitimate interests of the other stakeholders. Also, ensure that the Company's sustainability practices adapt to the established strategy and policies.

The Entity has the Social Responsibility and Sustainability Committee, which oversees and monitors the established programmes and objectives. It is the body that monitors the strategic lines in relation to social responsibility and sustainability in collaboration with the other areas and units and the actions for achieving the established objectives are defined under the corporate framework, which impregnates the whole Bank.

Furthermore, worth noting is the creation of an internal and operational ESG work group made up of representatives of the different units, that internally provides support for entering information in the Bank's systems required for incorporating ESG criteria, support for transitioning from the product catalogue adequate to Taxonomy criteria and training in sustainability, among other functions. The duties of this work group will evolve with the aim of incorporating the ESG risks in the Bank's global management, adapting to the general lines established by the strategy at all times.

ABANCA responsible banking (Action model).
 Sustainable awareness.

5.2 Describe the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a general high-level description of the creation of capacity, inclusion in compensation structures, management of performance and communication from leadership, amongst others.

It is guaranteed that employees know the policies, standards and procedures that sustain ABANCA's activity and that ensure the development of responsible behaviours throughout or scope of action.

The Entity has internally prepared and published an environmental Guide of Good Practice aimed at sensitising the teams of the importance of responsible consumption of the resources and becoming a more sustainable company.

In September 2021, the Bank launched a campaign to raise awareness of responsible energy consumption that will extend over the coming years.

ABANCA has implemented the Sustainable Financial Training Plan for all employees. It consists of a series of training pills that will be completed with specific training based on sustainability management categories.

A training plan was defined with the aim of incorporating the necessary knowledge into the organisation for effectively managing ESG risks.

ABANCA considers that the leadership of the senior management influences the teams and, therefore, is essential to fostering and incorporating corporate values. Thus, in 2021 the contents of the leadership decalogue for managers were examined in greater depth and smaller teams were formed to delve deeper into some of the concerns that have arisen.

Complementarily and to promote the Bank's culture and values, in 2020 an ambitious communication and work plan was designed that, due to the restrictions imposed by the pandemic, focused on the application El viaje común (The common journey). This application, which is available to any person in the organisation who can download it on their mobile phone, has become the main tool for disseminating the values and decalogue.

We are working on incorporating sustainability criteria in the Bank's remuneration policies.

Responsible professionals (Training).
 Sustainable awareness (Environmental awareness).
 Sustainable finance.

Reporting and Self-Assessment Requirements

High-level summary of ABANCA's response

Reference(s) / Link(s) to bank's full full response / relevant information



Principle 5: Governance and culture
We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

5.3 Governance structure to implement the principles:
Show that your bank has a governance structure in place for the implementation of the PRB, including:
a. Target-setting and actions to achieve targets set.
b. Remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected.

ABANCA's Social Responsibility and Sustainability area is transversal to the whole organisation and is in charge of implementing the principles, establishing the objectives in this area and monitoring them. The monitoring model includes specific lines of action, publication and measurement of progress.
ABANCA has a Social Responsibility and Sustainability Committee with the function of proposing, to the corresponding governing bodies and to the Executive Committee, measures for managing and controlling social responsibility, selecting and reviewing the key performance indicators, and reviewing and approving the corporate responsibility programmes. And from here come the actions that require approval by the Board of Directors.

ABANCA responsible banking (Action model).

Please provide your Bank's conclusion/ statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles: The ABANCA governance structure favours the proper implementation of the Principles of Responsible Banking.

Reporting and Self-Assessment Requirements

High-level summary of ABANCA's response

Reference(s) / Link(s) to bank's full full response / relevant information



Principle 6: Transparency and responsibility

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

6.1 Progress on Implementing the Principles for Responsible Banking:

Show that your Bank has progressed on implementing the six Principles over the last 12 months, in addition to the setting and implementation of targets in minimum two areas (see 2.1-2.4).

Show that your Bank has considered existing and emerging international/ regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practices.

Show that your Bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/ regional good practices and has made progress on its implementation of these Principles.

- Corporate framework for a growing responsible and sustainable banking model.
- ABANCA has a corporate framework of policies and practices that promote responsible conduct, encourage sustainable practices and permit sustainable economic activities. In line with the corporate framework, the Sustainability Plan 2021-2024 was designed to advance in the commitment to economic and social progress and well-being of people.
- The SDGs with greatest impact for the Entity have been identified, and the progress indicators analysed.
- ABANCA has signed different initiatives to incorporate national and international best practices into our action plan, about which we report our activity and progress on those commitments:
- ABANCA, since its constitution, has been a member of the Global Compact Spanish Network. Since 2019, the organisation has been a member of the Global Compact Spanish Network and reports its actions and progress on the 10 principles in the annual progress report.
- It has also signed the Collective Climate Action Commitment and the Net Zero Banking Alliance, thus taking on a commitment to align its portfolio with the climate objectives in the Paris Agreement. Also, the Bank endorsed the open letter launched by the We Mean Business Coalition calling on G20 leaders to take decisive action on climate change.
- In the 2021 Corporate Social Responsibility Report, information is provided about the implementation of the PRB and the progress on their implementation.
- In preparing this Report, ABANCA took into account the criteria of the Global Reporting Initiative Sustainability Reporting Standards (GRI) and offers the information stipulated by Law 11/2018 on the disclosure of non-financial information.
- This report was independently verified by KPMG Asesores, S.L.

ABANCA responsible banking (Action model)

ABANCA responsible banking (Contribution to SDGs).

ABANCA responsible banking (Partnerships for the goals)

Sustainable finance.

ABANCA responsible banking (Partnerships for the goals).

BRI Table + NFIS Verification Report Table.

Please provide your Bank's conclusion/ statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles: Through the annual Corporate Social Responsibility Report, verified by an external auditor, we report on our progress related to responsible banking.

VERIFICATION REPORT

102-56

This Corporate and Social Responsibility Report 2021, which contains the Consolidated Non-Financial Information Statement (NFIS), is an already formatted copy of the original, which was formulated and approved by the Board of Directors of Abanca Corporación Bancaria S.A. on March 28th 2022. The Corporate and Social Responsibility Report 2021, as well as the NFIS contained in the Report, has been verified by KPMG ASESORES dated March 20th 2022, as reflected in the following INDEPENDENT VERIFICATION REPORT.



INDEPENDENT VERIFICATION REPORT
March 20th 2022

Informe de Verificación Independiente de la Memoria Corporativa y de Responsabilidad Social de Abanca Corporación Bancaria, S.A. y sociedades dependientes del ejercicio 2021

1. Objetivo y alcance de la verificación independiente

El presente informe de verificación independiente ha sido elaborado por KPMG ASESORES, S.L. (KPMG) a raíz de la solicitud de verificación de la Memoria Corporativa y de Responsabilidad Social de Abanca Corporación Bancaria, S.A. (Abanca) y de sus sociedades dependientes para el ejercicio 2021, formulada por el Consejo de Administración de Abanca el 23 de marzo de 2022.

El alcance de la verificación independiente se ha limitado a la revisión de la información contenida en la Memoria Corporativa y de Responsabilidad Social de Abanca Corporación Bancaria, S.A. y de sus sociedades dependientes para el ejercicio 2021, así como a la verificación de la conformidad de dicha información con los datos reflejados en los estados financieros consolidados de Abanca Corporación Bancaria, S.A. y de sus sociedades dependientes para el ejercicio 2021.

La verificación independiente no constituye una garantía de la exactitud de la información contenida en la Memoria Corporativa y de Responsabilidad Social de Abanca Corporación Bancaria, S.A. y de sus sociedades dependientes para el ejercicio 2021, ni una garantía de la conformidad de dicha información con los datos reflejados en los estados financieros consolidados de Abanca Corporación Bancaria, S.A. y de sus sociedades dependientes para el ejercicio 2021.

Responsabilidad de la Información y de la Información no Financiera dominante

La información contenida en la Memoria Corporativa y de Responsabilidad Social de Abanca Corporación Bancaria, S.A. y de sus sociedades dependientes para el ejercicio 2021, así como la información no financiera dominante contenida en dicha Memoria Corporativa y de Responsabilidad Social de Abanca Corporación Bancaria, S.A. y de sus sociedades dependientes para el ejercicio 2021, es responsabilidad de la Dirección General de Abanca Corporación Bancaria, S.A. y de sus sociedades dependientes.

La verificación independiente no constituye una garantía de la exactitud de la información contenida en la Memoria Corporativa y de Responsabilidad Social de Abanca Corporación Bancaria, S.A. y de sus sociedades dependientes para el ejercicio 2021, ni una garantía de la conformidad de dicha información con los datos reflejados en los estados financieros consolidados de Abanca Corporación Bancaria, S.A. y de sus sociedades dependientes para el ejercicio 2021.

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Nuestra independencia y nivel de calidad

KPMG ASESORES, S.L. (KPMG) es una sociedad de profesionales independientes que forma parte del grupo de trabajo de KPMG ASESORES, S.L. (KPMG) en España. KPMG ASESORES, S.L. (KPMG) es una sociedad de profesionales independientes que forma parte del grupo de trabajo de KPMG ASESORES, S.L. (KPMG) en España.

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Exclusión de responsabilidad

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An ABANCA edition

Miguel Ángel Escotet Álvarez

President of Afundación and General Director of CSR and Communication.

Afundación Office

Pedro Otero Espinar, José Luis Vilanova Dacosta, Pilar Alves Moreno, Gonzalo Cruz Rouco, Gloria Rodríguez López and Manuel Cacheda Enríquez.

Communication Office

Isaac González Toribio, Yolanda Álvarez Álvarez, Javier Vilariño Torreiro and Patricia Pérez-Colomer Cachafeiro.

Sustainability Program

Fernando Filgueiras Feal (Afundación) and María García Cabeza (ABANCA).

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