



B Sabadell

Commitment to Sustainability

Summary 2022

In 2015, faced with one of humanity's greatest challenges – climate change, all of the United Nations Member States agreed to create the foundations to ensure a future for everyone. This ultimately resulted in the 2030 Agenda for Sustainable Development, which lays down the Sustainable Development Goals (SDGs): Planet, People, Prosperity, Peace and Partnerships. A roadmap to achieve a common social objective: sustainable global and human development, reinforced by the Paris Agreement on Climate Change and the European Green Deal to progress towards a carbon neutral economy.

At Banco Sabadell, we are firm in our commitment to support and accelerate these important economic and social changes. We have decided to align our business objectives with the SDGs, incorporating environmental, social and governance commitments into our strategy. To that end, we have established four key courses of action on which work is already underway.

Firstly, **as a sustainable Institution we are progressing** towards greenhouse gas neutrality, fostering diversity and talent within a robust and responsible governance system.

Secondly, **we support our customers in the transition towards a sustainable economy**. We support companies, aligning their situation with the regulatory environment, whilst also identifying both the physical and transition risks and their opportunities for transformation. Banco Sabadell plays a fundamental role by advising and offering financing to its customers, so that together we may achieve a carbon-neutral economy and have a positive impact on society.

Thirdly, **we create responsible investment products**, promoting solutions to enable individual and institutional investors to contribute to the SDGs, through a wide range of social, ethical, green and sustainability bonds and funds, both our own and those of third parties. We support entrepreneurs through BStartup and we invest directly in sustainability funds and sustainable businesses.

And lastly, **we add value to society**. We support projects and initiatives aimed at accelerating the development and wellbeing of people, such as the sectoral protocol for the promotion of financial inclusion and collaboration in financial education programmes, and we support culture, talent and research through the Banco Sabadell Foundation.

We are convinced that these courses of action will enable us to contribute to the creation of a better world and a brighter future for everyone.

All this shapes Banco Sabadell's commitment to sustainability.

Josep Oliu

Chairman



A future for everyone

Banco Sabadell Commitment to Sustainability

Our strategy is aligned with the Sustainable Development Goals and with the Paris Agreement, guiding our organisation and its activities and supporting our customers, and society, with the transition to a sustainable economy

This is our Commitment to Sustainability

The action framework for Banco Sabadell's Commitment to Sustainability is underpinned by four strategic pillars, for which a set of commitments is defined. Each one is described by objectives and activated by two kinds of levers: transformation levers and promotion levers.

Strategic pillars



Progress as a Sustainable Institution



Support customers in the transition to a sustainable economy



Offer investment opportunities that contribute to sustainability



Work together for a sustainable and cohesive society

Commitments

Objectives

Progress Indicators

Action levers

Transformation actions
to align the organisation with ESG ⁽¹⁾ criteria

Promotion actions
to promote sustainable finance and generate opportunities

Our commitment is action-oriented, therefore we have organised our activities based on 4 pillars

The main goals of the ESG Strategy⁽¹⁾ are:

	Institution	Customers	Investors	Society
E <i>Environmental</i>	<ul style="list-style-type: none"> • Be neutral in GHG emissions and continue reducing our own consumption • Continue to move forward with diversity, gender equality and talent promotion • Incorporate the ESG⁽¹⁾ criteria in governance and participate in the most relevant partnerships 	<ul style="list-style-type: none"> • Map out the decarbonisation pathway of our portfolio by mitigating climate risk • Support customers in the transition, by educating, providing funding and analysing their awareness of ESG⁽¹⁾ challenges and their ability to commit to them • Establish sectoral standards that restrict controversial activities and introduce new ESG⁽¹⁾ rules that ensure that the customer's situation is aligned with the regulatory environment 	<ul style="list-style-type: none"> • Increase the range of ESG⁽¹⁾ savings and investment products: <ul style="list-style-type: none"> • Our own • Third parties 	<ul style="list-style-type: none"> • Improve financial education and training • Move forward with financial inclusion • Safeguard the privacy and security of personal data and transaction data
S <i>Social</i>				
G <i>Governance</i>				
	 Progress as a Sustainable Institution	 Support customers in the transition to a sustainable economy	 Offer investment opportunities that contribute to sustainability	 Work together for a sustainable and cohesive society

(1) Environmental, Social and Governance

Progress as a Sustainable Institution

As an Institution, we are making progress with the new challenge of sustainability, integrating social, environmental and good governance aspects in our management. The Bank has designed its governance model and organisational structure along these lines.

We are fostering responsible policies and practices among employees to promote the preservation of the environment and the development of a fairer, more respectful society.

Support customers in the transition to a sustainable economy

At Banco Sabadell we support customers in the transition towards a sustainable economy. We provide them with the information, advice, products and services that they need.

We help customers overcome their challenges, by understanding their situation and aligning it with the regulatory environment, whilst also identifying both the physical and transition risks and their opportunities for transformation.

We advise our customers on the transition, by creating solutions for all segments through products and services specially designed for energy efficiency, renewable energies and mobility.

Offer investment opportunities that contribute to sustainability

We make it easier for investors to contribute to society by promoting sustainable finances and making them an essential part of the strategy and customer service offering.

We expanded ESG investment solutions by issuing bonds linked to the Sustainable Development Goals and we facilitate the placement of sustainability bonds in capital markets.

We contribute to responsible investment by supporting renewable energies, promoting entrepreneurship and boosting the ethical funds and the sustainable investment assets of the leading asset manager in the sector.

Work together for a sustainable and cohesive society

At Banco Sabadell, we contribute to the transition towards a more sustainable and cohesive society through ethical and responsible management. We are also committed to data privacy and cybersecurity.

We promote volunteering, education and financial inclusion, as well as charitable activities. We place special focus on supporting customers in vulnerable situations with social housing management initiatives and employability programmes.

Through the Banco Sabadell Foundation, we promote outreach, training and research activities in the fields of education, sciences and culture, and we support young talent to achieve a more prosperous and promising future.

Our commitments

Progress as a Sustainable Institution

1. Be neutral in greenhouse gas (GHG) emissions as an Institution
2. Continue reducing our own consumption
3. Move forward with diversity in the Institution
4. Ensure the recruitment and development of talent, as a leading company with an employee value proposition
5. Align the governance framework to the new sustainability context
6. Maintain active communication with stakeholders
7. Continue to ensure responsible and transparent taxation
8. Have a supply chain with critical suppliers that have undertaken a formal commitment to sustainability
9. Participate in global initiatives and partnerships related to sustainability

Offer investment opportunities that contribute to sustainability

1. Issue bonds linked to the Sustainable Development Goals
2. Contribute to the issuance of customers' sustainability bonds
3. Drive capital investment in renewable energy projects
4. Promote entrepreneurship actions and strengthen participation in ESG impact funds
5. Boost the sustainability fund offer
6. Disclose and report on ESG matters to the market

Support customers in the transition to a sustainable economy

1. Decarbonise the balance sheet by reducing the carbon footprint of the portfolio
2. Ascertain the sustainability performance level of our business customers
3. Mitigate the impact of climate-related factors on credit risk
4. Raise awareness about the importance of the ecological transition
5. Offer sustainable finance solutions
6. Offer sustainable mobility solutions
7. Promote the energy transition
8. Offer social financing solutions

Work together for a sustainable and cohesive society

1. Promote education and financial inclusion
2. Support customers in vulnerable situations
3. Encourage corporate volunteering and charitable actions
4. Foster culture and talent by promoting education and research activities through the Banco Sabadell Foundation
5. Ensure the privacy and security of personal data and of transactions

Objectives 2025

Some examples



More information on [Commitment to Sustainability](#) (with details of our progress, actions and objectives)

Progress as a Sustainable Institution

Neutrality of own greenhouse gas emissions (%)



Women on the Board of Directors¹ (%)



Women in the Management Team (%)



Suppliers evaluated in terms of ESG and ranked as A+, A and B² (%)



Support customers in the transition to a sustainable economy

Sustainable finance (€bn mobilised in cumulative terms)



Social financing (€bn in cumulative terms)



Vehicles with an ECO or zero-emissions label (% of total vehicles)



Employees trained in Sustainability (%)



Offer investment opportunities that contribute to sustainability

Participation in the issuance of customers' sustainability bonds (€bn in cumulative terms)



Assets under management invested in sustainability funds (% AuM)³



Investment in renewable energy projects and sustainability-related businesses (€m in cumulative terms)⁴



Work together for a sustainable and cohesive society

No. of beneficiaries of financial education programmes, adding new population sectors (annual)⁵



No. of corporate volunteers participating in social impact projects (annual)



No. of persons on talent programmes (cumulative)⁶



(1) In 2022 the objective is to have more than 30% women on the Board of Directors

(2) ESG score out of 100: A+ (Excellent with a score of 96-100), A (High with a score of 75-95), B (Medium-High with a score of 50-74), C (Medium-Low with a score of 25-49) and D (Low with a score of 0-24)

(3) Funds sold under the SABAM and other Amundi asset managers' brands. They are considered sustainability funds according to Article 8 or 9 of the EU SFDR. Article 8: financial product that promotes, among other characteristics, environmental or social characteristics or a combination of those characteristics. Article 9: financial product that has sustainable investment as its objective

(4) Carried out through Sinia Renovables. The €200m target investment up to 2025 includes, in cumulative terms, capital (investment in equity) and debt (senior debt and subordinated debt)

(5) To achieve this target, new population sectors will be added, including seniors and vulnerable groups

(6) Carried out through the Banco Sabadell Foundation

And you? Will you join our Commitment to Sustainability?

Further details in [Commitment to Sustainability](#)