



**We support
customers in the
transition towards a
sustainable economy**

Our commitments

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.

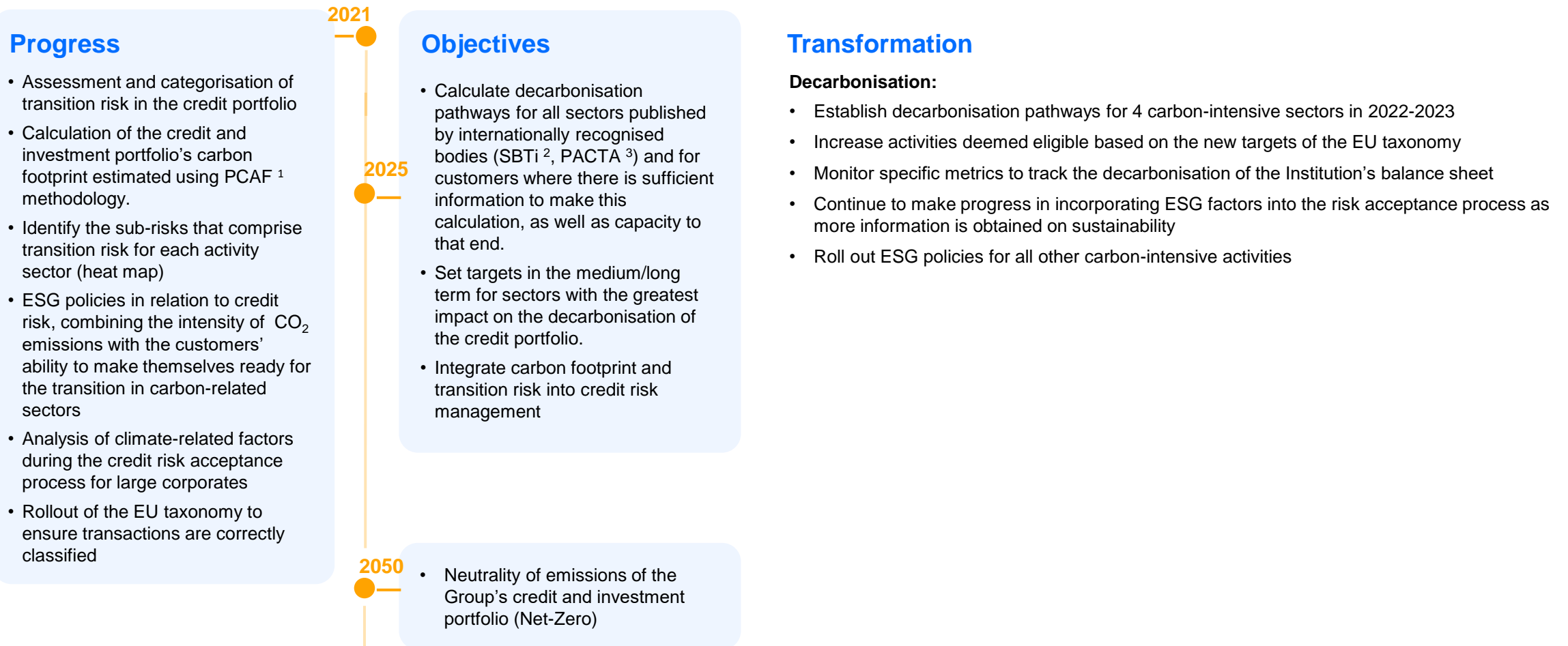
We advise our customers on the transition, by creating solutions for all segments through products and services specially designed for energy efficiency, renewable energies and mobility.

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**



Commitment

01. Decarbonise the balance sheet by reducing the carbon footprint of the portfolio



(1) Platform for Carbon Accounting Financials

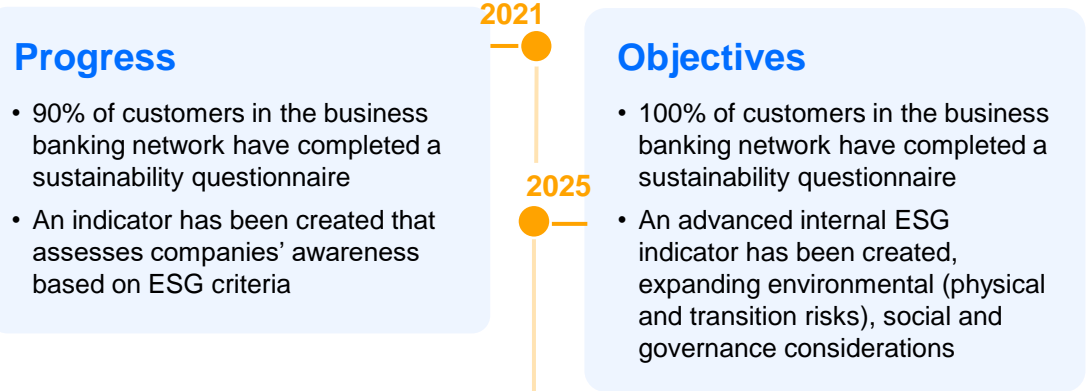
(2) Science Based Targets initiative

(3) Paris Agreement Capital Transition Assessment



Commitment

02. Ascertain the sustainability performance level of our business customers



Progress

- 90% of customers in the business banking network have completed a sustainability questionnaire
- An indicator has been created that assesses companies' awareness based on ESG criteria

Objectives

- 100% of customers in the business banking network have completed a sustainability questionnaire
- An advanced internal ESG indicator has been created, expanding environmental (physical and transition risks), social and governance considerations

Transformation

Assessment of the sustainability of transactions and customers:

- Visit to customers with an ESG approach (sustainable KYC)
- Creation and calculation of a sustainability indicator that measures companies' ability to adapt to the challenges of transition. Considers the level of debt and the inclusion of the main sustainability variables in relation to governance, strategy, quantitative commitments and reporting

Advanced internal ESG indicator, expanding environmental (physical and transition risks), social and governance considerations



Commitment

03. Mitigate the impact of climate-related factors on credit risk

Progress

- Review of prevailing sectoral standards, with increase in their number and the sectors to which they relate
- Caps on the approval of new risks in consolidated groups (those with turnover in excess of €200m) that are carbon-intensive and have no clear plan to adapt their business model to the transition that will be required by climate change
- Commercial strategy of increasing sustainable financing

2021

Objectives

- Review, update and implement sectoral standards for routine processes for authorising new risks and for approving/reviewing existing risks
- Expand climate risk policies as progress is made in the incorporation of sectoral decarbonisation pathways and in the classification according to the ESG sustainability indicator

2025

Transformation

Monitoring of new products and services, by ESG category:

- CO₂ intensive, carbon-related and green

Sectoral standards with ESG criteria:

- Approval of sectoral standards to limit financing granted to customers who undermine, among other things, international standards or commitments on employment and human rights, as well as the granting of project finance linked to specific sectors:
 - **Mining.** Including, among others, coal mines, asbestos mining, processing and sale, Mountaintop Removal Mining methods, mines with no plan to close or with no health management plan and mines located in areas of armed conflict
 - **Energy.** Including, among others, new coal-fired power plants, exploration and production of oil and gas in the Arctic, exploration and production of oil sands and hydraulic fracturing (fracking)
 - **Agro-industry.** Including, among others, destruction of high conservation value forests and the use of prohibited substances
 - **Infrastructure.** Including, among others, dams that do not conform to the Framework of the World Commission on Dams and desalination plants that lack adequate measures to mitigate the impact of the disposal of brine and/or the extraction of seawater
 - **Defence.** Including, among others, the arms trade in sanctioned countries subject to an arms embargo by the United Nations, the European Union and the United States and the manufacture and trade of controversial weapons and their key components
- Update, review, development and application of standards

Commitment

04. Raise awareness about the importance of the ecological transition

Progress

- >13,600 employees have received training on sustainability (93.5%)
- More than 100 Business Hub workshops – including ESG topics – and 3,100 participants
- Deployment of specialists in Next Generation EU funds and sustainability in Spain
- Creation of sectoral information sheets, identifying the main variables in relation to ESG, for public disclosure

2021

Objectives

- Update and train over 95% of employees on sustainability
- Ongoing training for customers with a sectoral outlook

2025

Promotion

Awareness about the ecological transition:

- Conversation with customers
- Certified training of relationship managers
- Business Hub workshops and activities in the branch network
- Participation in companies forums and associations that promote ESG topics

>95%

of employees have received sustainability training

Commitment

05. Offer sustainable finance solutions

Progress

- >€11bn in financial products and services mobilised in sustainable finance solutions ¹ over the year
- 45.7% of corporate loans to large corporations linked to sustainability
- Annual report on financing projects aligned with Equator Principles

2021



2021-

2025



2025



Objectives

- €65bn in financial products and services mobilised, in cumulative terms, in sustainable finance solutions ¹
- 60% of corporate loans to large corporations linked to sustainability

Transformation

Sustainable services and products:

- Creation and/or identification
- Dissemination

Promotion

Financing solutions for business:

- Green and Social Loans in which the use of the funds is the main criterion for determining the green, social or sustainable nature
 - Loan for sustainable companies, rental and leasing
 - Sustainable loan for homeowners' associations
- Sustainability-linked loans relating to any type of financing that incentivises the achievement of sustainability targets with the incorporation of material ESG metrics

Specific campaigns for sustainable products:

- Sustainable mobility solutions
- Eco-vehicles for employees
- Energy efficiency solutions available as rental arrangements, leases, loans, securitisations and capital

€65bn

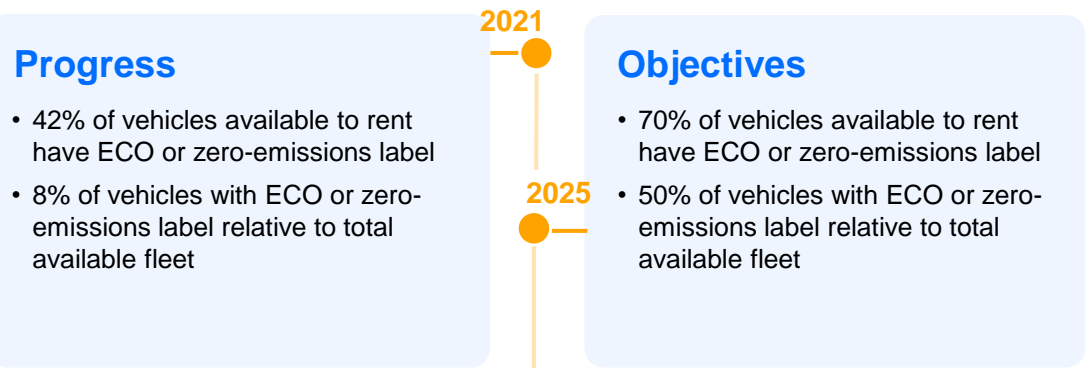
in financial products and services mobilised, in cumulative terms, in sustainable finance solutions ¹ over the 2021-2025 period

(1) Includes new green and social loans, sustainability-linked loans, capital markets and social financing



Commitment

06. Offer sustainable mobility solutions ¹



Promotion

Infrastructure:

- Agreement with EDP and Mastercard to set up 1,000 electric vehicle charging points in public spaces, equipped with contactless EMV technology
- Offering of electric vehicle charging stations available to rent

50%

of vehicles with ECO or zero-emissions label relative to total available fleet

(1) On 30 November 2021, Banco Sabadell sold its subsidiary BanSabadell Renting to ALD Automotive, with which it entered into a long-term strategic partnership for the distribution of vehicle leasing products



Commitment

07. Promote the energy transition

Progress

- Leading organisation in Spain for the financing of new renewable energy plants (greenfield projects)
- >200 cooperation agreements signed with industrial companies to finance photovoltaic panels for individuals and micro-SMEs

2021



Objectives

- Continue to be a leading organisation in Spain for the financing of new renewable energy plants (greenfield projects)
- Introduce end-to-end solutions (service + financing) to improve energy efficiency for companies and large corporations

2025



Promotion

Flexible development of renewable energy project finance structures

Commercial actions and cooperation agreements:

- Commercial actions to promote the financing of panels for own use
- Cooperation agreements with leading renewable energy firm and Spanish *colegios de administradores de fincas* (associations of licensed property managers) to improve energy efficiency in the home
- Cooperation agreements with leading renewable energy firm to increase self-consumption in SMEs and businesses



Commitment

08. Offer social financing solutions

Progress

- >€3.4bn in financing over the year granted to micro-enterprises through loans, credits, leases, rental arrangements, reverse factoring and factoring

2021



2021-2025



Objectives

- >€15bn of financing granted to micro-enterprises, in cumulative terms

Promotion

Social financing:

- Financing granted to micro-enterprises which aim to promote and maintain employment, in line with the Bank's internal Eligibility Guide
- Payment holidays for loans and credits granted to natural and legal persons in exceptional circumstances (e.g. to those affected by the volcano eruption in La Palma)

>€15bn

of financing granted to micro-enterprises, in cumulative terms, over the 2021-2025 period

**And you?
Will you join our
Commitment to
Sustainability?**

B Sabadell