

Human resources

The Bank has a young, qualified and gender-diverse workforce. It has a clear strategy on human resources which is based on four key principles which ensure that its goals are achieved (G33).

Four essential premises underpin the group's human resources management approach:

- The Bank has human resources policies and procedures in place that apply throughout the organisation.
- People are a differentiating asset and a critical success factor for Banco Sabadell.
- People are part of the whole organisation and make up a single team: Banco Sabadell.
- The Bank believes it is necessary to constantly strengthen the emotional bond between the Bank and its people.*

Human resources strategy under the “Triple” Plan - key action areas in 2016

The capabilities built up in the first year of the “Triple” Plan saw further development in 2016. Talent and human capital management increased in importance as a key component of the plan.

This led to a strengthening of three new roles that had been created in 2015: HR Business Partners (HRBP), Centres of Excellence and the Shared Services Centre, all of which saw a gradual extension of their remit and their organisational role.

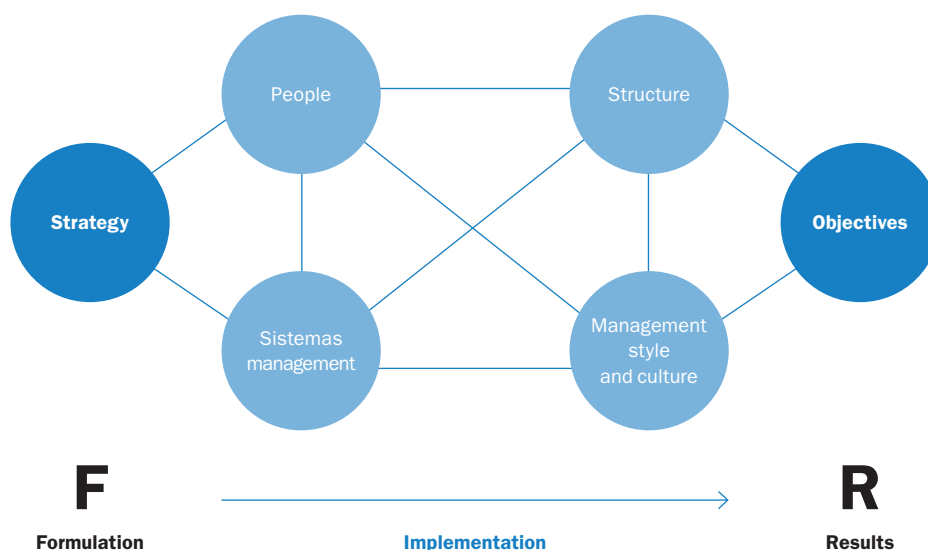
In addition, two further units were set up to with similarly important functions:

- **Organisational Climate Improvement Office:**
Tasked with coordinating corporate and local actions to make Banco Sabadell "an excellent place to work" according to the Great Place to Work Institute's workplace excellence standards.
- **Sabadell Campus:**
A project to bring about a transformation in training which will, it is hoped, be the seed of what will one day become the Group's corporate university.

This transformation will be supported by technology tools of the type required for human resources management processes.

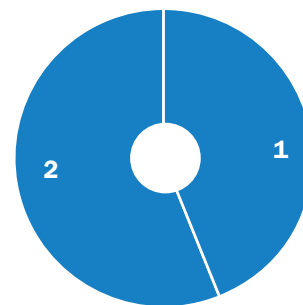
To carry out this transformation five core initiatives were drawn up and implemented almost in their entirety: integrated talent management, an unemployment management scheme, segmented people management, an employer brand and transformation in training.

G33



* See our human resources policies and principles in the "Report of the Directors" section of the financial statements.

These initiatives answer the question "how", but no less important was the question "who". To provide an answer, three additional initiatives were put in hand, centred on human resources capabilities in key areas of the organisation: management quality, multi-generational management of talent and flexibility, and an international HR model. These were also implemented to a considerable degree and, in the case of multi-generational talent management, became a model of best practice at national level.



G34 Employee breakdown by gender
31.12.2016 (%)

1	Men	44.1
2	Women	55.9

The Bank has adopted a multi-generational approach to talent management.

Composition of Group employees

At the end of 2016 the Banco Sabadell Group was employing a total of 25,945 people, a decrease of 145 compared with the previous year. The average age of employees was 42.72 years and the average length of service was 16.09 years. The gender split was 44.1% men and 55.9% women (G34).

More than 6,000 people completed training itineraries within the new Sabadell Campus digital space.

Projects in the Human Resources area

Training and development A new approach to training

In view of the challenges faced by the organisation and the industry, in 2016 Banco Sabadell decided to take a major step in implementing its new approach to learning by setting up Sabadell Campus, together with its own schools and learning spaces. The project incorporates the main features of the Bank's training model based on innovation, personalised training, efficiency and alignment with business goals.

The Digital Space

Sabadell Campus provided employees with a space for the development of digital skills which it is hoped will help all Banco Sabadell employees to be part of Banco Sabadell's digital transformation programme. 2016 saw two training itineraries being launched and achieving high success rates and levels of participation: Get digitalised with Google and Get digitalised with LinkedIn, which were completed by more than 6,000 people.

A "Commercial School" for branches

The launch of the "Commercial School" can be seen as training focused entirely on the challenge of meeting branch sales targets.

This involved developing online content designed specially to meet sales targets across the branch network and setting up attendance-based workshops in selling skills. The result was a training programme more complete, more focused and more adaptable to the needs of each trainee.

New School of Management and re-design of the Corporate Management Programme (CMP)

The Bank's new School of Management was set up to provide Group employees with content to enable them to develop their skills and to realise their personal and business objectives.

New online training formats such as videos, games, case studies, etc. were introduced and programmes were redesigned to incorporate informal learning, networking, gamification and other innovative teaching and learning techniques, all of which should strengthen the transformation effect for both trainees and the Group as a whole.

We also started a revamped PCM programme to enable a greater number of our people to benefit and to make it possible for trainees' projects to have a greater impact on the organisation.

New Finance School

A final initiative was to set up a Finance School whose mission would be to raise the level of financial awareness in the Group by offering specialist training to all employees and providing them with an attractive range of content and learning methodologies.

Arrangements for the School included a new Risk Management Programme organised by Pompeu Fabra University for the Bank's risk analysts.

Thanks to the School, all employees have access to exclusive financial content created by expert teachers working with the Open University of Catalonia, specially adapted to suit the kind of challenges faced by our employees in their daily practice.

New Language Area

In pursuit of its goal of improving language skills within the Group, a new Language Area was created and disseminated as part of the Sabadell Campus programme. The Language Area is a space in which any employee can find out about the language training opportunities offered by the Bank based on employee profile and specific need.

In-house trainer project

A key element in Banco Sabadell's new approach to training is undoubtedly its in-house training personnel, who play a vital role in knowledge and talent management and make it possible to provide training in any part of the world as and when the need arises.

Banco Sabadell applied programmes aimed at attracting young talent with potential.

Banco Sabadell makes its first appearance in the top 20 of the highly regarded "Merco Personas" index.

Strategic Talent Division

The newly formed Strategic Talent Division, whose primary aim in 2016 was to develop a new approach to senior leader and pre-leadership talent management, was put on a more solid footing. To this end, all HR information was integrated and structured interviews were held to identify higher management potential, the results of which were analysed with the help of well-tried psychometric tools. The information so obtained was used to form "people committees" within each division to identify and develop talent in the light of the Bank's present and future requirements. People committees were held in all the Bank's divisions —19 in all— and a total of 285 higher managers and pre-managers were discussed.

When all the people committees had been completed, a feedback and career development planning stage was initiated for all employees who had been considered. The purpose of the exercise was to build a career development culture to maximise employees' future performance, under the guidance of their own superiors and with support from an HRBP to further the process of identifying, developing and fostering talent.

Mobility

To vitalise the Bank's internal recruitment process, create opportunities for professional development and encourage internal mobility for Group employees, the following actions were put in hand:

- Making internal recruitment (and transfer) procedures more flexible to attract existing in-house talent.
- Approving a procedure for conducting active internal employee searches.
- The internal selection policy was extended to all the regions where the Group operates in pursuit of efficiency in staff transfers.

In external recruitment, work is continuing on developing a pool of professionals that can selectively drive future expansion, and on incorporating international experience into the executive career path.

For this reason a service unit has been set up to design and manage programmes to attract young talent showing

the potential to be developed as a talent pool to support the Group's expansion.

- Internship Programme
- Young Talents
- Talent Graduate Programme

Human Resources management

To give extra support to management, in 2016 a new unit, the Human Resources Middle Office, was set up with a brief to provide specialist support to the work of HRBPs. The contribution of the Middle Office, which has been set up within the HR Operations Division, completes the circle of HR processes and provides a sharper focus and greater effectiveness in people management across the Bank's corporate divisions.

Prizes and distinctions

Merco personas

Banco Sabadell made its first appearance in the Top 20 of this respected index, entering at No. 17 in the league table of the 100 Spanish companies most highly rated as employers.

Universum

In the first ever Universum World's Most Attractive Employers survey for well-qualified young professionals, Banco Sabadell ranked as the 16th most attractive employer to work for in Spain for a young person having recently completed a degree course in business studies and humanities.

It also was also ranked 46th most attractive for young people with degrees in engineering, IT and health sciences, appearing for the first time as an employer in a ranking for people with such qualifications.